FY04 VA Enrollee Health Care Projection Model
January 2004

Department of Veterans Affairs

Final Model Run Reports

Volume I

Prepared By:
CACI, INC.- FEDERAL
Milliman USA, Inc.

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Acronyms

AAPCC	Adjusted Average Per Capita Cost
ADUSH	VHA Office of the Assistant Deputy Under Secretary for Health
APR-DRG	All Patient Refined-Diagnostic Related Group
ARC	Allocation Resource Center
AWP	Average Wholesale Price
BETOS	Berenson-Eggers Type of Service
BIRLS	Beneficiary Identification and Resource Locator System
BR	Blind Rehab
C&P	Compensation and Pension File
C&P Exams	Compensation & Pension Exam
CARES	Capital Assets Realignment for Enhanced Service
CDR	Cost Distribution Report
CHAMPVA	Civilian Health & Medical Program of the Department of Veterans Affairs
CMS	Centers for Medicare and Medicaid Services
CPI	Consumer Price Index
CPT	Clinical Procedural Terminology
CWT	Compensated Work Therapy
CY	Calendar Year
DDC	Denver Distribution Center
DGR	Diagnostic Related Group
DME	Durable Medical Equipment
DoCM	Degree of Community Management
DPS	Disability Payment System
DRI	Data Resources Inc.
ELDA	Enrollment Level Decision Analysis
FIPS	Federal Information Processing Standards (County of Residence)
FY	Fiscal Year
GMT	Geographic Means Test
HCMI CWT/TR	Homeless Chronic Ment Ill Comp Work Therapy/Trans. Residence
HCPCS	Health Care Financing Administration Common Procedure Coding System
HEC	Health Eligibility Center
HSC	Health Care Service Categories
ICD-9	International Classification of Diseases, 9th Revision
ICU	Intensive Care Unit
IP	Inpatient

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LOS	Length of Stay
LTC	Long Term Care
MBP	VA Medical Benefits Package
MCCV	Medical Center Closest to the facility within the VISN
MCS	Mental Component Scale
MEF	Master Enrollment File
MEUF	Master Enrollment and User File
MHICM	Mental Health Intensive Case Management
MHSDP	Mental Health Special Disabilities Program
MSA	Metropolitan Statistical Area
MSG	Management Science Group
NDC	National Drug Codes
NH	Nursing Home
NPPD	National Prosthetics Data
NSC	Non-Service Connected
OACT	Office of the Actuary
OP	Outpatient
OPMH	Outpatient Mental Health
PCS	Physical Component Scale
PMPM	Per Member Per Month
PPS	Prospective Payment System
PRRP	PTSD Residential Rehab
PRRTP	Psychiatric Residential Rehab Treatment Program
PSSG	Planning Systems Support Group
PTSD	Post-Traumatic Stress Disorder
PUMA	Public-Use Microdata Areas
RBRVS	Resource-Based Relative Value Scale
RVU	Relative Value Unit
SA Dom	Substance Abuse Domiciliary
SARRT	Substance Abuse Residential Rehab Treatment
SC	Service-Connected
SCI	Spinal Cord Injury
SCPER	Service-Connected Percent Disabled
SCSSN	Scrambled Social Security Number
SNF	Skilled Nursing Facility
SOE	Survey of Enrollees

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SSI	Supplemental Security Income
VISN	Veterans Integrated Service Network

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Section I
Executive Summary

CACI, INC.-FEDERAL (CACI) was commissioned by the Department of Veterans Affairs (VA) to provide assistance in projecting the estimated cost of providing health care to veterans enrolled within the VA health care system for each fiscal year (FY) from FY 2003 through FY 2005. CACI subcontracted with Milliman USA (Milliman) to develop these projections. This analysis consists of two major components:

1. Projecting veteran enrollment in the VA health care system and
2. Calculating the estimated health care costs associated with providing services to these Enrollees.

The Veterans Health Administration (VHA), within the Department of Veterans Affairs, administers the largest integrated health care system in the nation. In October 1996, Congress enacted the Veterans' Health Care Eligibility Reform Act of 1996, Public Law 104-262. Although the law simplified the system, it is a significant change from previous regulations. It required VHA to implement a priority-based enrollment system. The number of Priority Levels VHA will be able to deliver care to will be a function of available funding levels and of the utilization of health care services by enrollees.

Each year, VHA undergoes a rigorous review of demand for health care services from veterans and projects an estimate of the costs to deliver care against that demand. The results of these analyses are used to develop VHA health care budgets and to provide executive level information in the decision support for the number of enrollees VHA can fiscally manage. The purpose of this analysis is to provide data and information that will assist the Secretary of the Department of Veterans Affairs with the annual enrollment decision. This decision determines number of veteran priority groups VA can continue to enroll for health care services for FY 2004. It is understood that VA will enroll veterans for health care services in FY 2004 who can be fiscally supported by available resources such that the quality of care and access to care will not be compromised.

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General Model Description

The following outline provides a general description of the methodology used to develop the VA Enrollee Health Care Projection Model (the model). The model was created by CACI and Milliman to support VA's Enrollment Level Decision and over the past five years has been enhanced to support CARES, the VA budget process, and other VA planning initiatives.

Enrollment Projections

1. Obtain baseline actual enrollment by scrambled SSN
2. Develop enrollment rates using historical enrollment and historical VetPop
3. Develop projections of new enrollees using the rates developed in Step 2, the baseline from Step 1 and VetPop projections
4. Apply mortality rates to enrollment projections

Workload Projections

1. Summarize private sector health care utilization averages by geographic area.
2. Adjust utilization to reflect the health care services in the Medical Benefits Package.
3. Adjust utilization to reflect the age and gender characteristics of the projected veteran enrollee populations.
4. Adjust utilization to reflect the estimated veteran enrollee reliance on VHA for their health care needs (Veteran enrollee survey data and CMS match data used to assess reliance).
5. Adjust utilization to reflect the morbidity of the projected veteran enrollee populations relative to the underlying private sector populations (VA patient diagnosis data and CMS match data is used to assess relative morbidity levels).
6. Adjust utilization to reflect the estimated degree of health care management observed within the VA health care system relative to the loosely managed level observed in the local community (VA inpatient diagnosis and workload data used to assess Degree of Management).
7. Adjust utilization to reflect the residual differences between modeled and actual historical VA workload (estimates of unmeasured morbidity, reliance and degree of health care management differences).

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Unit Cost Projections

1. Obtain baseline Cost Distribution Report (CDR)-based VA unit cost data.
2. Unit cost data adjusted for health care service mix inherent in data.
3. Adjust unit costs to reconcile to historical VA total health care obligations.

Expenditure Projections

1. Enrollment, Workload and Unit Cost Projections are combined to produce Expenditure Projections.

Summary Results

The VA Enrollee Health Care Projection Model projects that in FY 2004 VHA will require $25.660 billion to care for all enrolled veterans. It should be noted that this estimate, as well as the other estimates presented in this report, do not comprise the total medical care budget requirements. These estimates do not include projected expenditures for Long Term Care services (both Nursing Home and Home Health). Non-modeled programs including CHAMPVA, Readjustment Counseling, Spina Bifida, Foreign Medical Program, Dental, and care for non-veterans are also excluded. The model further projects that in FY 2004 there will be an average enrollment of 7.262 million veterans; unique fiscal year enrollees of 7.632 million veterans; a year-end live enrollment of 7.350 million veterans; and unique fiscal year patients of 4.702 million veterans.

Total veteran enrollment for each fiscal year is calculated in terms of member months to estimate enrollee exposure to the VA health care system. The average projected enrollment for each fiscal year (member months divided by 12) is detailed in Table I-1. Enrollment market share is generally already high in Priority Levels for veterans with service-connected disabilities. The majority of the future growth in enrollment comes from Priority Levels 7 through 8. Enrollment for Priority Level 8 was suspended on January 17, 2003. Continued suspension of Priority Level 8 enrollment is uncertain, therefore, under VA direction, future enrollment was projected under three scenarios. These enrollment scenarios are:

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Scenario 0: Assumes that enrollment of Priority Level 8 veterans was never suspended, and is never suspended through the FY 2005 enrollment projections. This scenario allows for estimates of the impact of the enrollment suspension decision when compared to Scenario 1.

Scenario 1: Assumes that enrollment of Priority Level 8 veterans was suspended on January 17, 2003 and remains suspended through the FY 2005 enrollment projections.

Scenario 2: Assumes that enrollment of Priority Level 8 veterans was suspended on January 17, 2003 but is re-instated in January 2004 and enrollment remains open through the FY 2005 enrollment projections.

Table I-1 also presents the resulting nationwide projected health care expenditures based on the projected average enrollment for each scenario by fiscal year.

Table I-1

Projected Average Enrollment

Fiscal Year	Scenario 0	Scenario 1	Scenario 2
2002	6,369,400	6,369,400	6,369,400
2003	7,019,837	6,961,175	6,961,175
2004	7,529,520	7,262,308	7,483,024
2005	7,955,840	7,498,951	7,955,840

Projected Health Care Expenditures

Fiscal Year	Scenario 0	Scenario 1	Scenario 2
2002	$19,887,567,000	$19,887,567,000	$19,887,567,000
2003	23,033,230,015	22,969,693,398	22,969,693,398
2004	25,962,983,134	25,645,573,464	25,907,667,556
2005	28,772,336,533	28,182,441,287	28,772,336,533

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Table I-2 presents nationwide projected enrollment and health care expenditures for these scenarios for Priority Levels 1 through 7c combined and Priority Levels 8a and 8c combined.

Table I-2

Projected Average Enrollment

Fiscal Year	Priority Levels 1 through 7c	Priority Levels 8a & 8c		
	Scenarios 0, 1, & 2	Scenario 0	Scenario 1	Scenario 2
2002	5,180,187	1,189,213	1,189,213	1,189,213
2003	5,638,866	1,380,971	1,322,309	1,322,309
2004	5,989,595	1,539,925	1,272,713	1,493,429
2005	6,280,084	1,675,757	1,218,868	1,675,757

Projected Health Care Expenditures

Fiscal Year	Priority Levels 1 through 7c	Priority Levels 8a & 8c		
	Scenarios 0, 1, & 2	Scenario 0	Scenario 1	Scenario 2
2002	$18,583,049,314	$1,304,517,686	$1,304,517,686	$1,304,517,686
2003	21,378,408,823	1,654,821,192	1,591,284,574	1,591,284,574
2004	23,972,993,138	1,989,989,996	1,672,580,326	1,934,674,417
2005	26,447,974,387	2,324,362,147	1,734,466,900	2,324,362,147

Tables I-3 and I-4 present the resulting FY 2004 and FY 2005 nationwide projected health care expenditures based on projected average enrollment for each Priority Level under Scenario 1. The two largest groups are the non-service-connected (NSC) veteran populations of lower income Priority Level 5 and the higher income Priority Level 8c veterans. All of the Priority Levels open to enrollment have increasing enrollment projections through FY 2005. From FY 2004 to FY 2005 Priority Level 7c is projected to have the largest percentage growth – 8.7%, while the average growth over Priority Levels 1 through 7c is 4.8%. During the same period, under enrollment Scenario 1 Priority Level 8 enrollment is projected to decrease 4.2% due to the closed enrollment policy and mortality. The projected expenditures under enrollment Scenario 1 increase each year. In addition, the smaller Priority Levels 1 and 4 require greater expenditures per enrollee than the other Priority Levels.

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Table 1-3: Scenario 1

Priority Level	Projected Average Enrollment for FY 2004	Projected Average Expenditures Per Enrollee for FY 2004	Projected Health Care Expenditures for FY 2004	Cumulative Projected Expenditures by Priority Level
1	656,117	$7,694	$5,048,067,240	$5,048,067,240
2	459,019	3,400	1,560,721,339	6,608,788,579
3	921,892	2,731	2,517,312,539	9,126,101,118
4	241,348	13,496	3,257,231,818	12,383,332,936
5	2,597,365	3,891	10,105,310,470	22,488,643,406
6	146,370	1,151	168,428,435	22,657,071,841
7a	29,581	1,888	55,837,223	22,712,909,064
7c	937,901	1,344	1,260,084,074	23,972,993,138
8a	46,002	1,781	81,929,527	24,054,922,665
8c	1,226,709	1,297	1,590,650,799	25,645,573,464
Total	7,262,308	$3,531	$25,645,573,464	

Table 1-4: Scenario 1

Priority Level	Projected Average Enrollment for FY 2005	Projected Average Expenditures Per Enrollee for FY 2005	Projected Health Care Expenditures for FY 2005	Cumulative Projected Expenditures by Priority Level
1	670,924	$8,099	$5,433,582,682	$5,433,582,682
2	469,545	3,590	1,685,803,708	7,119,386,390
3	952,986	2,873	2,737,629,382	9,857,015,772
4	257,908	14,047	3,622,961,004	13,479,976,776
5	2,719,577	4,132	11,237,757,254	24,717,734,031
6	158,017	1,228	194,020,271	24,911,754,302
7a	31,731	1,991	63,175,065	24,974,929,367
7c	1,019,395	1,445	1,473,045,019	26,447,974,386
8a	44,472	1,924	85,575,836	26,533,550,222
8c	1,174,396	1,404	1,648,891,064	28,182,441,287
Total	7,498,951	$3,758	$28,182,441,287	

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Exhibits I-1 through I-4 provide additional detail supporting these projections.

A patient projection model was also developed based on historical veteran enrollee and patient data, the projection of unique Enrollees and various adjustment factors. This process is described in Section XIII− Patient Projection Analysis. The projected unique patients for each fiscal year under Scenario 1 are as follows:

Table I-5

Fiscal Year	Projected Unique Patients for Priority Levels 1 – 6	Projected Unique Patients for Priority Level 7	Projected Unique Patients for Priority Level 8	Total Projected Unique Patients
2002	3,157,084	429,260	654,908	4,241,252
2003	3,376,654	489,773	669,538	4,535,965
2004	3,521,970	538,716	641,003	4,701,689
2005	3,640,583	580,160	614,791	4,835,534

Table I-6

Priority Level	Projected Average Enrollment for FY 2004	Projected Total Unique Enrollees For FY 2004	Estimated Current, Live Year-End Enrollment for FY 2004	Estimated Unique Patients for FY 2004
1	656,117	685,665	660,854	572,765
2	459,019	476,524	463,331	319,581
3	921,892	961,650	935,480	564,266
4	241,348	261,703	236,467	199,739
5	2,597,365	2,755,892	2,642,432	1,799,138
6	146,370	154,679	151,794	66,482
7a	29,581	31,634	30,461	18,669
7c	937,901	1,013,918	977,511	520,047
8a	46,002	46,628	45,284	27,207
8c	1,226,709	1,244,123	1,206,627	613,796
Total	7,262,308	7,632,416	7,350,245	4,701,689

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Table I-7

Fiscal Year	Projected Average Enrollment	Projected Total Unique Enrollees	Estimated Current, Live Year-End Enrollment	Estimated Unique Patients
2002	6,369,400	6,850,377	6,688,010	4,241,252
2003	6,961,175	7,352,163	7,091,317	4,535,965
2004	7,262,308	7,632,416	7,350,245	4,701,689
2005	7,498,951	7,860,390	7,559,140	4,835,534

In performing this analysis various data and representations provided by the Department of Veterans Affairs were relied upon. This information was used without audit.

The results contained in this report are projections. Actual results will differ from those projected here for many reasons. It is impossible to determine how world events will unfold. Those events that impact the economy and the use of the nation's military may have a profound impact on enrollment and expenditure projections**.** It is important that actual enrollment and costs be monitored and the projections updated regularly.

Overview of VA Enrollee Health Care Projection Model Methodology

Everything related to the VA Enrollee Health Care Projection Model begins with the enrolled veteran population. Every veteran in the veteran health care enrollment database has a county of residence. All of the counties in the United States were grouped into Sectors that represent a significant number of veteran Enrollees. A Sector, as used throughout this report, is defined as a cluster of geographically adjacent counties, within a CARES-defined submarket. In urban areas Sectors are often made up of a single county. The development of the Sector areas is fully discussed in Section II-4– County Consolidation Methodology. Each Sector area is contained within a single CARES-defined market or submarket area. Consequently, market and submarket level projections can be calculated by summarizing the Sector level projections. Enrollees are also assigned to a preferred facility, where the veteran's care is managed by a VA health care provider. The cost models reflect the projected health care demand of the Enrollees by Sector area. Cost models are also developed to reflect the projected health care demands of Enrollees by their preferred facility. It is not anticipated that all of the enrollee's VA-demanded health

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care will necessarily be obtained from that Facility; consequently, the cost models are enrollee-based, not facility-based.

Expenditures were projected for providing the health care benefits defined in the Medical Benefits Package as well as other VA special program services to the Enrollees. Expected utilization by Sector (or preferred facility), Enrollee Type (Enrollee Pre and Enrollee Post), Age Group (Under Age 45, Ages 45 to 64, Ages 65 to 84 and Ages 65 and Over), and Priority Level (Priority Levels 1 through 8c) were developed using private sector utilization adjusted to reflect the veteran enrollment population and an appropriate level of managed care for VA (discussed in more detail in Section III-4– Degree of Community Management Adjustments). This health care utilization is detailed by several Inpatient and Ambulatory medical service categories. VA special program services were projected using historical VA workload data. Estimated VA unit costs based on the CDR and related data sources were applied to the expected utilization by medical service category.

From the utilization and VA unit cost data, expected per member per month (PMPM) costs were calculated for each combination of Sector, Enrollee Type, Age Group, and Priority Level veteran Enrollees. The PMPM cost is the average cost of providing health care to each member (enrollee) for a one-month period of time.

Each cost model has been adjusted to reflect relative veteran morbidity and reliance on VA for obtaining health care services. These adjustments vary by CARES defined submarket, Enrollee Type, Age Group, Priority Level and health service category.

The partial reliance adjustments reflect the fact that the majority of veterans, particularly those who qualify for Medicare, have another choice for health care services. Consequently, veterans can utilize health care from providers both inside and outside of VA concurrently. The partial veteran reliance in these models reflects estimated current veteran reliance on the VA Health Care System.

The relative morbidity adjustments reflect the relative health status of veteran Enrollees compared to the private sector populations underlying the utilization benchmarks. These adjustments are based on a diagnosis-based risk adjustment methodology which incorporates the

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responses to the 1999, 2000 and 2001 Survey of Enrollees (SOE) and the 1999 Health Survey of Veterans (Veterans SF-36 & Health Behaviors).

Exhibits I-5 through I-8 provide Scenario 1 VISN-specific projections for each fiscal year in the study. These exhibits display average enrollment, health care expenditures, unique enrollees and unique patients for each VISN, based on the enrollee's VISN of residence.

Exhibit I-9 illustrates the variations by Priority Level due to reliance, morbidity, age/gender, VA unit costs, geographic area and other factors. The "All" row shows the overall impact that each factor has on the model. For instance, the underlying base model is increased by 15% to account for the age/gender mix of veteran Enrollees. It is also increased by 41% to account for the relative higher morbidity of veteran Enrollees. On the other hand, it is reduced by 62% to account for the fact that veteran Enrollees, on average, only demand 38% of their health care from VA.

Exhibit I-10 illustrates the variations by VISN due to each adjustment that was applied to the models. Specifically, this exhibit shows the relative impact that reliance, morbidity, age/gender, VA unit costs, geographic area and other variations have on the VA Enrollee Health Care Projection Model at the national level. For example, VISN 2 has an average PMPM cost for FY 2002 that is only 79% of the national average PMPM cost. Exhibit I-10 indicates that VISN 2 Enrollees have one of the lowest levels of reliance and are the second least morbid (healthiest). On the other hand, the age/gender mix implies they are average (1.00 relativity) due solely to age and gender cost differences. Unit costs in VISN 2 are 5% lower than average and the utilization differences due to location result in costs that are only 2% higher than the VA national average. Together, these differences generate an average PMPM cost for VISN 2 that is the lowest compared to all other VISNs. Similar comparisons can be done for each VISN.

Exhibit I-11 details the properties of each model factor. This table documents when factors vary by region (County, Sector, VISN, etc.), Age Group, Priority Level, and Enrollee Type.

Over 150,000 detailed cost models (see equation below) were developed as well as the preferred facility and state projection allocation models. Each individual cost model includes the estimated annual expenditures by health care service category based on the projected average enrollment and the PMPM costs for that model. A report writer was also developed that allows

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VA to composite these cost models in various ways. The national cost models for FY 2002 through FY 2005 are included in Appendices D through G. All of the cost models generated for the analysis are contained electronically in the CD-ROMs delivered separately.

Number of Cost Models:

506 Sector Locations
X 4 Age Groups
X 10 Priority Levels
X 2 Enrollee Types
X 4 Fiscal Years
161,920 Cost Models

Model Enhancements

Several enhancements were made to the actuarial modeling effort. The enrollment projections were updated to reflect the latest version of VetPop (the VA Office of the Actuary's estimates of the total veteran population). These estimates were further enhanced to include necessary detail at the age, gender, Priority Level and county levels. This latest version of VetPop was developed by VA from analysis of the new Census 2000 data. In addition, VHA provided an updated historical enrollment file with enrollment data for FY 1999, FY 2000, FY 2001 and FY 2002.

The most visible enhancement made to the enrollment projection methodology is that they are no longer projected on an individual county basis, but are, instead, projected on the aggregated level of consolidated counties, or "Sectors." This approach increased statistical credibility through elimination of projections for small populations. It also increased efficiency in scenario modeling through decreased time elapsed for enrollment projection scenarios and cost and utilization projection scenarios.

It has been suggested that transition occurs among Priority Levels over time in the Enrollee population. No provision was made for this phenomenon in prior enrollment projections. Therefore, historical data was studied to determine Priority Level transition patterns and incorporate them into the enrollment projection process. In addition, geographic migration between Sectors was studied and a model was developed and implemented to reflect this type of migration in the enrollment projection process.

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Finally, the modeling for Geographic Means Test (GMT) Priority Levels 7 and 8 enrollment, which was first introduced during CARES II, has now been incorporated into the main enrollment projection process. The projection algorithm now:

1. Splits Priority Level 7 veterans into GMT Priority Levels 7 and 8 as they enroll and
2. Tracks the number of veterans who would have enrolled if enrollment had been open for the entire projection period.

Those who would have enrolled, but were denied because of a change in enrollment policy, are tracked so that in case of a future relaxation of enrollment policy the impact of "pent-up" demand on enrollment can be measured. This enables more rapid turn-around for scenarios involving changes to open-enrollment policies for GMT Priority Levels 7 and 8 veterans.

Pursuant to the Health Care and Eligibility Reform Act of 1996 (Public Law 104-262), VA established a priority based enrollment system. Although veterans are not required to enroll with VA to receive medical care for a service-connected condition, all veterans are encouraged to enroll. In order to better understand and analyze utilization patterns of veterans who used VA for some or all of their health care enrollees were defined as Enrollee Pres and Enrollee Posts. An Enrollee Pre is defined as an enrollee who used the VA Health Care System during fiscal years 1996, 1997 or 1998 and enrolled during the first six months of enrollment (between October 1, 1998 and March 31 1999). Enrollee Posts are all other veteran Enrollees in the health care enrollment database.

The service line detail in the utilization and expenditure projection model was greatly expanded to account for several of VA's special programs. Six outpatient mental health VA programs were identified from the Ambulatory workload data and projected separately based on specific workload analyses, including: Day Treatment, Homelessness, Methadone Treatment, Mental Health Intensive Case Management (MHICM), Work Therapy and Community MH Residential Care. The projection of special VA program bed section care services was also enhanced, including the expansion of Psych & PTSD Residential Rehab Program into two separate service lines: Psychiatric Residential Rehabilitation Treatment (PRRTP) and PTSD Residential Rehabilitation (PRRP). Residential Rehabilitation Treatment was also redefined such that specialized PTSD and substance abuse services were integrated into other service lines. Further

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details regarding these projection enhancements can be found in Section IV- Special VA Program Projections.

Based on analysis of VA prosthetics data, VA Program Equipment and Services projections were also developed and implemented in the model. This is further discussed in Section V- VA Workload Data Manipulations. This service line represents equipment and services provided by many of the VA special programs that are not represented by a private sector benefit.

VA unit costs represented within the model were expanded to include Glasses/Contacts, Hearing Aids, Durable Medical Equipment and Prosthetics (Section VII- VA Unit Costs). VA administers these medical items through national dispensaries that achieve significant cost savings over the private sector. Appropriate unit costs for these service lines were developed utilizing the national prosthetics data provided by VA.

The Degree of Community Management – Section III-4 (DoCM) analysis was enhanced to assess management levels by Market area. Market areas divide the nation into approximately 100 areas using county borders. The model's predictive powers should be enhanced regionally with the DoCM assumptions used for each VISN expanded to each Market area. Nationally, the FY 2002 VA DoCM levels for medical, surgical, psychiatric and substance abuse are –28%, –64%, 1% and –5%, respectively. These levels vary significantly by Market.

The reliance adjustments (further discussed in Section III-3) were updated using similar methodologies from previous ELDA efforts and more recent data. In addition, reliance factors were developed at the Market level rather than the VISN level. Historical VA supply constraints are reflected in the reliance adjustments, given that VA supply impacts the tendency for veteran enrollees to seek care at a VA facility. That is not to say that supply is the only factor impacting reliance. Location of VA facilities, perceived quality of care at VA facilities, availability of other insurance and other factors also play an important role in determining an enrollee's likelihood to seek care within the VA Health Care System. Reliance adjustments at the VISN level tended to overestimate workload in some Markets while underestimating it in others since the factors impacting enrollee reliance vary significantly by Market within the VISNs.

One issue that complicates the development of veteran morbidity factors is that of reliance (further discussed in Section III-2). Unlike the vast majority of members of commercial

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insurance programs, veterans who use VHA health care facilities are usually not reliant on VHA health care facilities for 100% of their health care needs. That is not to say that no veteran relies 100% on VHA for their health care needs, but many do not. These reliance issues are difficult to isolate and quantify. Health status based risk adjusters have routinely been used to develop relative morbidity factors for the projection model; however, for this analysis the Centers for Medicare and Medicaid Services (CMS) data match information was used to develop a more robust morbidity analysis for the group of enrollees Ages 65 and Over since this information is assumed to provide 100% of those enrollees' diagnoses (DoD information for enrollees who are military retirees and use TRICARE/military treatment facilities is not included).

The actual-to-expected analysis (Section VI) was expanded to include adjustments for Glasses/Contacts, Hearing Aids, Durable Medical Equipment, and Prosthetics using the FY 2002 prosthetics workload data provided by VA. The actual-to-expected adjustments were also enhanced to incorporate a credibility adjustment. This enhancement produced more reasonable adjustments for services with relatively small amounts of workload experience. The national actual-to-expected ratios across all Ages, Priority Levels, and Enrollee Types were unaffected by this adjustment.

The budget reconciliation (Section VIII) adjustment process was enhanced to allow a more service specific budget reconciliation. VA was able to supply the total FY 2002 budget obligations with detailed budget obligation amounts for major service areas such as Inpatient Acute services, Inpatient Sub-acute care, Outpatient, Prosthetics, etc. Previous ELDAs reconciled to a single budget obligation amount. For the Preliminary and Final FY04 ELDA, the service area specific budget obligation amounts were used to reconcile the FY 2002 national projections to the FY 2002 budget obligations.

In the past, VA has requested various cost sharing projections from Milliman for use in policy-making decisions, and enhancements were made to the model to enable faster, more efficient response to these requests. While these projections utilized the projection model, the appropriate adjustment factors were developed and implemented into the model for every analysis. The model was enhanced to incorporate various cost sharing levels by service and fiscal year automatically. The model projections report cost sharing revenue into five categories: Inpatient, Long Term Care, Residential Rehabilitation Treatment, Outpatient, and Prescription Drugs. The copay levels in effect as of August 1, 2002 were used for all fiscal years beyond 2002. Historical

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collection rates, third party rates and other adjustments were also carried forward to all future projection years.

Long-term care services were not included in this modeling effort. VA is currently developing new long-term care projection models and they will be incorporated into the VA Enrollee Health Care Projection Model at a later date.

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Exhibit I-1
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY02
Nationwide Composite by Priority Level

Priority	Annual Average Enrollment	PMPM Health Care Cost	Annual Health Care Cost	Annual Total Expenditures
1	620,696	$566.22	$6,794.65	$4,217,412,997
2	421,110	251.27	3,015.19	1,269,728,485
3	823,202	203.41	2,440.91	2,009,363,664
4	203,824	1,022.51	12,270.17	2,500,960,710
5	2,247,017	282.09	3,385.03	7,606,224,569
6	118,725	82.79	993.51	117,954,700
7a	24,385	139.68	1,676.21	40,873,884
7c	721,228	94.81	1,137.68	820,530,305
8a	43,793	126.28	1,515.32	66,360,265
8c	1,145,420	90.08	1,080.96	1,238,157,421
All Priorities	6,369,400	$260.20	$3,122.36	$19,887,567,000
1 to 6	4,434,575	$333.02	$3,996.24	$17,721,645,124
7	745,613	96.27	1,155.30	861,404,190
8	1,189,213	91.41	1,096.96	1,304,517,686
All Priorities	6,369,400	$260.20	$3,122.36	$19,887,567,000

Note: All numbers on this exhibit are rounded, but the sums and products are computed using unrounded values. Therefore, it may not be possible to exactly match the sums or products shown.

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Exhibit I-2
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY03
Nationwide Composite by Priority Level

Scenario 1: Priority Level 8 suspended effective 1/17/2003

Priority	Annual Average Enrollment	PMPM Health Care Cost	Annual Health Care Cost	Annual Total Expenditures
1	639,627	$604.60	$7,255.24	$4,640,649,800
2	444,314	267.04	3,204.45	1,423,782,883
3	880,480	215.56	2,586.71	2,277,543,374
4	223,408	1,075.44	12,905.34	2,883,152,735
5	2,447,873	303.47	3,641.63	8,914,238,869
6	133,714	89.35	1,072.14	143,361,071
7a	27,205	148.72	1,784.64	48,551,432
7c	842,245	103.60	1,243.26	1,047,128,659
8a	47,357	136.32	1,635.89	77,470,468
8c	1,274,952	98.95	1,187.35	1,513,814,106
All Priorities	6,961,175	$274.97	$3,299.69	$22,969,693,398

Scenario 1: Priority Level 8 suspended effective 1/17/2003

1 to 6	4,769,416	$354.39	$4,252.67	$20,282,728,732
7	869,450	105.02	1,260.20	1,095,680,092
8	1,322,309	100.28	1,203.41	1,591,284,574
All Priorities	6,961,175	$274.97	$3,299.69	$22,969,693,398

Scenario 0: No Priority Level 8 suspension

1 to 6	4,769,416	$354.39	$4,252.67	$20,282,728,732
7	869,450	105.02	1,260.20	1,095,680,092
8	1,380,971	99.86	1,198.30	1,654,821,192
All Priorities	7,019,837	$273.43	$3,281.16	$23,033,230,015

Scenario 2: Priority Level 8 suspended effective 1/17/2003 and resumed effective 1/1/2004

1 to 6	4,769,416	$354.39	$4,252.67	$20,282,728,732
7	869,450	105.02	1,260.20	1,095,680,092
8	1,322,309	100.28	1,203.41	1,591,284,574
All Priorities	6,961,175	$274.97	$3,299.69	$22,969,693,398

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Exhibit I-3
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY04
Nationwide Composite by Priority Level

Scenario 1: Priority Level 8 suspended effective 1/17/2003

Priority	Annual Average Enrollment	PMPM Health Care Cost	Annual Health Care Cost	Annual Total Expenditures
1	656,117	$641.15	$7,693.85	$5,048,067,240
2	459,019	283.34	3,400.12	1,560,721,339
3	921,892	227.55	2,730.59	2,517,312,539
4	241,348	1,124.67	13,495.98	3,257,231,818
5	2,597,366	324.22	3,890.60	10,105,310,470
6	146,370	95.89	1,150.70	168,428,435
7a	29,581	157.30	1,887.57	55,837,223
7c	937,901	111.96	1,343.52	1,260,084,074
8a	46,002	148.42	1,780.98	81,929,527
8c	1,226,710	108.06	1,296.68	1,590,650,799
All Priorities	7,262,308	$294.28	$3,531.33	$25,645,573,464

Scenario 1: Priority Level 8 suspended effective 1/17/2003

1 to 6	5,022,113	$375.96	$4,511.46	$22,657,071,840
7	967,482	113.35	1,360.15	1,315,921,298
8	1,272,713	109.52	1,314.19	1,672,580,326
All Priorities	7,262,308	$294.28	$3,531.33	$25,645,573,464

Scenario 0: No Priority Level 8 suspension

1 to 6	5,022,113	$375.96	$4,511.46	$22,657,071,840
7	967,482	113.35	1,360.15	1,315,921,298
8	1,539,925	107.69	1,292.26	1,989,989,996
All Priorities	7,529,520	$287.35	$3,448.16	$25,962,983,134

Scenario 2: Priority Level 8 suspended effective 1/17/2003 and resumed effective 1/1/2004

1 to 6	5,022,113	$375.96	$4,511.46	$22,657,071,840
7	967,482	113.35	1,360.15	1,315,921,298
8	1,493,429	107.95	1,295.46	1,934,674,418
All Priorities	7,483,024	$288.52	$3,462.19	$25,907,667,555

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Exhibit I-4
Veterans Affairs Healthcare Cost Analysis
Projected Enrollment and Costs for FY05
Nationwide Composite by Priority Level

Scenario 1: Priority Level 8 suspended effective 1/17/2003

Priority	Annual Average Enrollment	PMPM Health Care Cost	Annual Health Care Cost	Annual Total Expenditures
1	670,924	$674.89	$8,098.65	$5,433,582,682
2	469,545	299.19	3,590.29	1,685,803,708
3	952,986	239.39	2,872.69	2,737,629,382
4	257,908	1,170.63	14,047.51	3,622,961,004
5	2,719,578	344.35	4,132.17	11,237,757,255
6	158,017	102.32	1,227.84	194,020,271
7a	31,731	165.91	1,990.97	63,175,065
7c	1,019,395	120.42	1,445.02	1,473,045,019
8a	44,472	160.35	1,924.26	85,575,836
8c	1,174,396	117.00	1,404.03	1,648,891,064
All Priorities	7,498,951	$313.18	$3,758.18	$28,182,441,287

Scenario 1: Priority Level 8 suspended effective 1/17/2003

1 to 6	5,228,958	$397.02	$4,764.19	$24,911,754,303
7	1,051,126	121.79	1,461.50	1,536,220,084
8	1,218,868	118.58	1,423.01	1,734,466,900
All Priorities	7,498,951	$313.18	$3,758.18	$28,182,441,287

Scenario 0: No Priority Level 8 suspension

1 to 6	5,228,958	$397.02	$4,764.19	$24,911,754,303
7	1,051,126	121.79	1,461.50	1,536,220,084
8	1,675,757	115.59	1,387.05	2,324,362,147
All Priorities	7,955,840	$301.38	$3,616.51	$28,772,336,533

Scenario 2: Priority Level 8 suspended effective 1/17/2003 and resumed effective 1/1/2004

1 to 6	5,228,958	$397.02	$4,764.19	$24,911,754,303
7	1,051,126	121.79	1,461.50	1,536,220,084
8	1,675,757	115.59	1,387.05	2,324,362,147
All Priorities	7,955,840	$301.38	$3,616.51	$28,772,336,533

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Exhibit I-5
Veterans Affairs Health Care Analysis
Fiscal Year 2002 Projections by VISN

VISN	Projected Average Enrollment	Estimated Healthcare Expenditures	Projected Unique Enrollees	Projected Unique Patients
1	301,569	$908,184,165	324,241	201,397
2	195,298	480,187,223	204,744	119,125
3	354,449	1,142,165,911	372,688	214,501
4	394,964	1,060,597,765	425,585	253,781
5	159,823	599,556,711	170,300	103,425
6	309,501	883,811,332	334,378	205,445
7	358,226	1,123,934,337	385,172	238,177
8	566,110	1,648,500,243	610,283	381,321
9	283,267	1,016,067,203	305,229	192,756
10	230,970	615,304,565	250,062	151,118
11	267,131	746,908,685	289,004	176,863
12	280,271	878,183,129	303,040	186,005
15	256,355	723,497,607	275,922	172,252
16	514,485	1,719,071,685	556,510	362,175
17	265,219	851,576,507	286,692	182,737
18	259,863	821,397,730	278,491	180,080
19	175,037	542,532,699	187,901	118,843
20	266,710	884,382,196	284,287	179,409
21	273,291	861,549,327	295,375	182,247
22	346,500	1,184,371,003	374,224	229,876
23	310,363	870,323,539	336,249	209,720
National[(1)]	6,369,400	$19,562,103,563	6,850,377	4,241,252

[(1)] National totals may not match sum of VISN entries due to rounding.

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Exhibit I-6
Veterans Affairs Health Care Analysis
Fiscal Year 2003 Projections by VISN

VISN	Projected Average Enrollment	Estimated Healthcare Expenditures	Projected Unique Enrollees	Projected Unique Patients
1	328,387	$1,035,864,059	348,105	215,116
2	208,299	548,562,942	219,491	127,285
3	377,969	1,298,331,580	399,965	229,439
4	430,710	1,212,516,684	455,717	271,184
5	174,372	691,794,143	184,646	111,748
6	340,444	1,030,664,807	358,827	219,893
7	393,018	1,309,256,333	414,337	255,470
8	624,605	1,917,910,290	664,847	413,283
9	310,291	1,190,744,667	327,400	205,862
10	253,219	715,122,010	267,577	161,469
11	294,102	870,747,197	311,998	190,347
12	306,386	1,007,151,722	323,720	198,073
15	280,072	835,390,365	295,490	183,842
16	562,664	1,983,721,915	591,896	383,462
17	291,741	985,917,237	307,333	194,910
18	282,947	950,522,814	297,185	191,441
19	190,863	622,158,223	201,163	126,778
20	290,373	1,012,701,772	305,744	192,060
21	299,810	1,003,444,254	316,105	194,601
22	379,943	1,380,029,498	399,640	245,521
23	340,960	1,011,263,015	360,976	224,179
National[(1)]	6,961,175	$22,613,815,525	7,352,163	4,535,965

[(1)] National totals may not match sum of VISN entries due to rounding.

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Exhibit I-7
Veterans Affairs Health Care Analysis
Fiscal Year 2004 Projections by VISN

VISN	Projected Average Enrollment	Estimated Healthcare Expenditures	Projected Unique Enrollees	Projected Unique Patients
1	341,739	$1,144,086,604	360,551	222,092
2	215,056	609,126,009	225,317	130,571
3	391,052	1,432,874,902	411,667	235,799
4	446,758	1,342,160,762	470,565	279,928
5	183,975	776,801,344	193,710	116,962
6	357,439	1,164,416,294	374,970	229,723
7	412,891	1,477,778,957	433,090	266,903
8	655,851	2,152,589,132	693,758	430,110
9	324,679	1,349,023,355	340,804	214,126
10	265,270	803,352,932	279,120	168,302
11	309,774	980,656,179	326,948	199,122
12	318,384	1,112,592,005	335,020	204,428
15	291,207	930,924,485	305,666	189,934
16	583,787	2,205,246,073	611,318	395,120
17	305,801	1,104,100,930	320,534	202,684
18	294,118	1,060,993,377	307,678	197,804
19	198,786	692,042,681	208,545	131,207
20	303,915	1,129,951,568	318,397	199,590
21	311,033	1,122,359,664	326,469	200,827
22	395,435	1,547,500,820	414,182	254,747
23	355,359	1,127,104,911	374,107	231,709
National[(1)]	7,262,308	$25,265,682,983	7,632,416	4,701,689

[(1)] National totals may not match sum of VISN entries due to rounding.

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Exhibit I-8
Veterans Affairs Health Care Analysis
Fiscal Year 2005 Projections by VISN

VISN	Projected Average Enrollment	Estimated Healthcare Expenditures	Projected Unique Enrollees	Projected Unique Patients
1	351,964	$1,245,112,524	370,406	227,506
2	219,515	664,378,210	229,298	132,820
3	400,280	1,557,286,021	420,166	240,335
4	458,571	1,462,672,015	481,937	286,589
5	191,840	857,064,780	201,300	121,346
6	371,550	1,292,454,235	388,776	238,110
7	429,355	1,639,935,185	449,128	276,646
8	679,814	2,374,445,412	716,696	443,299
9	336,139	1,499,560,209	351,919	220,917
10	275,089	888,276,342	288,699	173,905
11	322,648	1,085,997,562	339,522	206,451
12	327,930	1,211,635,493	344,269	209,519
15	299,681	1,020,995,090	313,780	194,736
16	600,100	2,413,457,551	627,012	404,382
17	317,267	1,216,151,296	331,624	209,158
18	303,204	1,169,374,074	316,543	203,134
19	205,186	758,897,178	214,792	134,918
20	314,916	1,245,462,567	329,061	205,977
21	319,821	1,235,697,752	334,872	205,868
22	407,859	1,708,606,928	426,112	262,386
23	366,224	1,236,551,373	384,479	237,530
National[(1)]	7,498,951	$27,784,011,796	7,860,390	4,835,534

[(1)] National totals may not match sum of VISN entries due to rounding.

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Exhibit I-9
Veterans Affairs Health Care Analysis
Relative National Impacts of Model Assumptions by Priority Level for FY 2002

Priority	Reliance	Morbidity	Age/ Gender	VA Unit Costs	Area	A to E	Other*	Total
1	0.50	2.04	1.12	0.98	1.00	1.01	1.09	1.23
2	0.39	1.33	1.06	0.97	1.01	0.95	1.07	0.55
3	0.36	1.21	1.04	0.97	1.01	0.94	1.05	0.44
4	0.53	3.01	1.22	1.06	1.03	0.98	1.07	2.22
5	0.44	1.34	1.17	0.96	1.02	0.89	1.06	0.64
6	0.26	0.95	0.90	0.95	1.00	0.85	1.06	0.19
7a	0.24	1.03	1.26	0.93	1.01	1.06	1.03	0.32
7c	0.20	0.97	1.31	0.88	1.03	0.91	1.05	0.22
8a	0.25	1.06	1.11	0.91	1.00	1.06	1.02	0.29
8c	0.21	0.99	1.20	0.86	1.01	0.91	1.06	0.21
All	0.38	1.41	1.15	0.96	1.02	0.93	1.03	0.58

* Other includes the impact of all remaining model assumptions, such as copay utilization and actual-to-expected adjustments.

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Exhibit I-10
Veterans Affairs Health Care Analysis
Relative Impacts of Model Assumptions by VISN for FY 2002

VISN	Reliance	Morbidity	Age/ Gender	VA Unit Costs	Area	A to E	Other*	Total
1	0.95	0.94	0.98	1.03	1.01	1.00	1.01	0.91
2	0.92	0.88	1.00	0.95	1.02	0.99	1.03	0.79
3	0.79	0.90	0.98	1.17	1.17	0.98	1.02	0.95
4	0.84	0.87	0.99	1.03	1.10	0.99	1.01	0.81
5	1.08	1.04	1.01	1.08	1.05	0.99	1.03	1.31
6	0.97	1.06	1.01	0.91	1.03	1.01	1.03	1.00
7	0.95	1.09	1.00	1.00	1.03	1.01	1.05	1.12
8	0.95	0.94	1.00	0.89	1.10	1.00	1.02	0.88
9	1.11	1.07	1.03	0.93	1.06	1.00	1.03	1.22
10	0.92	1.01	1.00	0.99	0.97	1.00	1.02	0.91
11	0.89	1.05	1.00	1.01	0.96	0.99	1.02	0.91
12	0.97	1.09	0.99	0.99	0.98	0.99	0.99	1.00
15	0.95	1.01	1.00	0.96	0.97	0.99	1.04	0.91
16	1.00	1.09	1.01	0.95	1.07	1.00	1.03	1.14
17	1.13	1.03	1.01	0.93	0.98	1.01	1.06	1.14
18	1.18	1.00	1.01	0.98	0.87	0.99	1.05	1.05
19	1.08	1.10	1.01	1.04	0.83	1.00	1.02	1.05
20	1.21	1.06	1.01	1.13	0.79	1.01	1.05	1.22
21	1.13	0.92	1.01	1.14	0.86	1.00	1.04	1.07
22	1.21	0.89	1.01	1.13	0.96	1.00	1.06	1.24
23	0.92	1.06	1.00	0.97	0.89	0.99	1.01	0.84
All	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

* Other includes the impact of all remaining model assumptions, such as copay utilization and actual-to-expected adjustments.

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Exhibit I-11

Description of Factors Used in Developing Parameter Estimates In the CACI/Milliman VA Demand Model

Parameter/Factor	Sector/State/National	Age Groups	Priority Groups	Enrollee Type	Other
Enrollment Rates*	Sector	<45, 45-64,65+	1a, 1b, 2, 3, 4, 5, 6, 7a, 7c		
Enrollee Mortality*	National	Specific Age	1, 2, 3, 4, 5, 6, 7		Gender
Area	Sector	<65, 65+			Benefit
Copay	National		1, 2, 3, 4, 5, 6, 7a,7c, 8a, 8c		Benefit & Fiscal Year
Covered Benefit	National	<65, 65+	1, 2, 3, 4, 5, 6, 7a, 7c, 8a, 8c		Benefit & Fiscal Year
Age/Gender	National	14 age bands			Gender & Benefit
Morbidity*	VISN	<65, 65-69, 70-74, 75-79, 80-84, 85+, Birth year cohorts	1, 2, 3, 4, 5, 6, 7a, 7c (1a, 1b for Special Disability)	Pre, Post	Benefit
Reliance Rates*	CARES sub-Market	<65, 65+	1, 2, 3, 4, 5, 6, 7a, 7c	Pre, Post	Benefit
Trend Rates					Benefit & Fiscal Year
Degree of Community Management	CARES sub-Market				Benefit
Actual/Expected*	National	<65,65+	1, 2, 3, 4, 5, 6, 7a, 7c	Pre, Post	Benefit

*Priority Level 7 rates were also applied to Priority Level 8 veterans for these parameters.

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Exhibit I-11a

Description of Factors Used in Developing Parameter Estimates
FY03 vs. FY04 VA Enrollee Health Care Projection Model

Parameter/Factor	Sector/Sate/National		Age Groups		Priority Groups		Enrollee Type		Other	
	FY03	FY04	FY03	FY04	FY03	FY04	FY03	FY04	FY03	FY04
Enrollment Rates*	County	Sector	<45, 45-64,65+	Same	1a, 1b, 2, 3, 4, 5, 6, 7a, 7c	Same	Pre, New Post			
Enrollee Mortality*		National	Specific Age	Same	1, 2, 3, 4, 5, 6-7	1, 2, 3, 4, 5, 6, 7			Gender	Same
Area	County or Facility	Sector	<65, 65+	Same					Benefit	Same
Copay		National			1, 2, 3, 4, 5, 6, 7	1, 2, 3, 4, 5, 6, 7a,7c, 8a, 8c			Benefit & Fiscal Year	Same
Covered Benefit		National		<65, 65+	1, 2, 3, 4, 5, 6, 7	1, 2, 3, 4, 5, 6, 7a, 7c, 8a, 8c			Benefit & Fiscal Year	Same
Age/Gender		National	14 age bands	Same					Gender & Benefit	Same
Morbidity*	VISN	Same	<65, 65+	<65, 65-69, 70-74, 75-79, 80-84, 85+, Birth year cohorts	1, 2, 3, 4, 5, 6, 7a, 7c (1a for NH only)	1, 2, 3, 4, 5, 6, 7a, 7c (1a, 1b for Special Disability)	Pre, Past Post, New Post	Pre, Post	Benefit	Same
Reliance Rates*	VISN	CARES sub-Market	<65, 65+	Same	1, 2, 3, 4, 5, 6, 7a, 7c (1a for NH only)	1, 2, 3, 4, 5, 6, 7a, 7c	Pre, Past Post, New Post	Pre, Post	Benefit (&FY for NH only)	Benefit
Trend Rates									Benefit & Fiscal Year	Same
Degree of Community Management	VISN	CARES sub-Market							Benefit	Same
Actual/Expected*	National	Same	<45, 45-64, 65+	<65,65+	1, 2, 3, 4, 5, 6, 7a, 7c	Same	Pre, Past Post, New Post	Pre, Post	Benefit	Same

*Priority Level 7 rates were also applied to Priority Level 8 veterans for these parameters.

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Section II
Enrollment Projections

VetPop Proxy and Enrollment Projection Methodology

The purpose of this task was to project veteran enrollment from the beginning of FY 2003 through the end of FY 2023.

Deliverables included:

- VetPop Proxy for FY 2002-FY 2023, by Sector, Priority Level, Age Band and Gender.
- Average, year-end and unique enrollment projections under the three scenarios described in Section I - Executive Summary for FY 2002-FY 2023 by Sector, Priority Level, Age Band, Gender and Enrollee Type.

This task was composed of several sub-tasks, including:

- Development and implementation of a county consolidation methodology
- Creation of the master enrollment file (MEF)
- Creation of a VetPop Proxy
- Development and implementation of an enrollee Priority Level transition methodology
- Development and implementation of an enrollee geographic migration methodology
- Update and implementation of the enrollment rate methodology
- Update and implementation of the enrollee mortality rate methodology
- Enhancement for projecting the impact of policy decisions on enrollment (including, suspension of enrollment and/or complete disenrollment of particular Priority Levels)
- Projection of veteran enrollment under specified policy scenarios
- Implementation of a model to split Priority Level 7 veterans and enrollees into Geographic Means Test (GMT) Priority Levels 7 & 8

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Outline

Section II is organized into 8 subsections:

II-1: Creation of the Master Enrollment File
II-2: Veteran Population Proxy Development
II-3: Enrollment Projection Methodology

The consolidation of counties into Sectors impacted all tasks. Although it is mentioned where appropriate in the main sections, a comprehensive discussion is provided in a self-contained subsection,

II-4: County Consolidation Methodology

Several significant sub-tasks outlined in subsection II-3 were performed for the first time or are significant updates of earlier work. These sub-tasks are discussed in further detail in self-contained subsections as follows:

II-5: Priority Level Transition
II-6: Geographic Migration
II-7: Enrollment Rates
II-8: Mortality Rates

All key components of the VetPop Proxy and Enrollment Projection methodology are mentioned in subsections II-1, II-2 and II-3. The purpose of subsections II-4 through II-8 is to provide additional detail on these topics.

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Section II-1
Creation of the Master Enrollment File

The VHA Office of the Assistant Deputy Under Secretary for Health (ADUSH) supplied the master enrollment file (MEF) as of September 30, 2002. This file contained a record for each veteran who enrolled to receive health care benefits from VA at any time between October 1, 1998 and September 30, 2002, including those now deceased and all those currently seeking care, but not enrolled (referred to as "cost-only" veterans). ADUSH performed all significant data-scrubbing tasks before delivering the final MEF. Included on the MEF were the following fields:

- Scrambled Social Security Number
- Priority Level (1, 2, 3, 4, 5, 6, 7a and 7c)
- Service-Connected Percent Disabled (*SCPER*)
- Date of Birth
- Gender
- County of Residence (FIPS)
- Date of Death (BIRLS) and Date of Death (HEC)
- Enrollee Type
- Preferred Facility
- Enrollment Date

All fields contained the most current available information as of September 30, 2002. The MEF did not include any historical information regarding changes in Priority Level, County of Residence or Preferred Facility.

It was necessary to perform several edits on this data to prepare it for the enrollment projection process. First, it was necessary to split Priority Level 1 into Priority Levels 1a and 1b. The split was performed using *SCPER*. Of the 619,160 Priority Level 1 veteran enrollees on the MEF (and alive on September 30, 2002), 329,734 had *SCPER* greater than or equal to 70%. In addition, 226,885 enrollees had *SCPER* between 50% and 69%, and the remaining 62,541 had *SCPER* less than 50% or null. All enrollees with SCPER greater than or equal to 70% were assigned to Priority Level 1a, those with SCPER between 50% and 69% were assigned to

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Priority Level 1b, and the remainder were randomly assigned, 70% to Priority Level 1a and 30% to Priority Level 1b. The 70% split was chosen by comparing enrollment with Census 2000 VetPop and choosing an allocation that would give a slightly higher national market share for Priority Level 1a than for Priority Level 1b. Second, a single Date of Death was created, using the earlier of the BIRLS and HEC dates of death. Finally, Enrollee Type was adjusted to reflect the analysis described in Section III of the FY03 VA Enrollee Health Care Projection Model Report, Fiscal Years 2002 through 2022 (Appendix A), which demonstrated that Enrollees Pre who enrolled on or after April 1, 1999 exhibit morbidity and reliance characteristics that are more consistent with Enrollee Posts. All Enrollee Pres who enrolled on or after April 1, 1999 were reassigned to Enrollee Posts.

For each veteran enrollee, exposure for Fiscal Years 1999 to 2002 was calculated based on the enrollment date and date of death. One month of exposure was counted for each month in which the veteran enrollee was alive and enrolled for at least one day.

Sectors (consolidated counties, as described in subsection II-4) were mapped to the MEF, based on the FIPS county code.

The MEF is the starting point of the enrollment projection process.

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Section II-2
Veteran Population Proxy Development

In this section, the development of the VetPop Proxy is discussed in detail. The VetPop Proxy is designed to support the enrollment projections. Before the key steps in the development are reported, an overview is given and the material changes in methodology from the previous CARES Phase II effort are discussed.

Although the VetPop Proxy exhibits a distribution of veterans among Priority Levels, it is not intended to confer a legal Priority Level status on veterans who are not enrolled. Priority Level is only defined for enrollees. The projected size of each Priority Level in the VetPop Proxy represents the estimated number of veterans enrolled in that Priority Level plus the number of non-enrolled veterans who, if they were to enroll, would likely be classified under the given Priority Level.

General Approach to the Creation of the VetPop Proxy

The purpose of the VetPop Proxy is to create a best estimation of VetPop by Priority Level as an input to the enrollment projection process. The condition for success of the VetPop Proxy is its ability to support accurate and plausible projections of enrollment. In order to project veteran enrollment over the projection period by age, gender, Priority Level and Sector, it is important to have substantive projections of the veteran population over the same projection period, at the same level of detail.

The building blocks of the VetPop Proxy are the veteran counts by County, 5-year age band and gender. These counts are aggregated to the Sector level, creating 333,960 blocks (506 Sectors, 15 age bands, two genders, and 22 projection years) which must then be allocated to Priority Levels 1a, 1b, 2, 3, 4, 5, 6, 7a, 7c and spread to individual ages. The allocation to Priority Levels is the critical step in the development of VetPop Proxy and is described in detail below. The approach to spread from age band to individual age is described briefly in this Section under the subheading, “Modeling by Individual Age”.

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The modeling process sequentially carves up the Priority Level distribution of each block using relevant data sources and actuarial judgment, respecting the unique characteristics of the time, demographics and geography. Although each is discussed in further detail below, the modeling process included the following major steps:

1. Split into Priority Levels 1a, 1b, 2, 3 (service-connected disabled veterans) and all other Priority Levels (4-7).
2. Carve out Priority Level 4 (catastrophically disabled and homebound veterans) from Priority Levels 4-7.
3. Carve out Priority Level 5 (low income non-disabled veterans) from Priority Levels 5-7.
4. Allocate the remainder to Priority Levels 6, 7a and 7c.

The four steps above are explained after an executive summary of the significant changes to the model since CARES Phase II.

Major Data Sources Contributing to the VetPop Proxy

The VA Office of the Actuary (OACT) supplied two Census 2000 VetPop projections in support of this effort. The first projection contained national veteran population by age, gender and disability status. The second projection contained veteran population by county, 5-year age band and gender. Using these and other data sources, a model was developed to create a VetPop Proxy by age, gender, Priority Level and Sector for Fiscal Years 2002 to 2023.

The following specific data sources were supplied by VA in support of the creation of the VetPop Proxy:

- National Census 2000 VetPop: *VP01Adj_National_v2* (National VetPop)
- County Census 2000 VetPop: *VP01Adj_County_v2* (County VetPop)
- September 2002 Compensation and Pension File: *CP902* (C&P)
- VHA health care users during Fiscal Years 1996 to 1998: *Users96, Users97, Users98* (Users)
- Current Beneficiary Identification and Record Locator Subsystem (BIRLS) death file: *Deaths*
- Master Enrollment File: *Sep02Final* (MEF)
- Priority-Level VetPop derivative of VetPop2000: Allstates_h

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- 2001 National Survey of Veterans
- Census 2000 Poverty Prevalence File: *Vets2000_County_P57_uspr_r*

In addition, the following public data sources were used to support modeling Priority Levels 4 and 5:

- Americans with Disabilities: 1997 – Table 1
- Census 2000 Poverty Estimates – Public Release

Additional information regarding these data sources is included in Exhibit II-2-1.

General Changes in VetPop Proxy Approach from CARES Phase II

The most visible change in the VetPop Proxy is that it is no longer modeled on an individual county basis, but is, instead, fashioned on the aggregated level of consolidated counties, or "Sectors." The enrollment projections changed from a county basis to a consolidated county basis as well. This approach added significant value to the VetPop Proxy, including increased statistical credibility and ease of use. It also addressed key concerns for individual privacy as well as the hazards of reliance on and misperception of statistical accuracy of the results for sparsely populated counties. The county consolidation methodology is discussed in detail in subsection II-4.

Priority Level 5 veterans constitute a large portion of VHA's enrollment. Significant effort was invested to incorporate Census 2000 data and other sources in a model of Priority Level 5 veteran population by Sector and age. The analysis relied on Census 2000 poverty prevalence data at the Sector level, the highest quality information available for public release at the time. Using this data, and other sources (further described below), an imputed distribution of Priority Level 5 veterans by age was created for each Sector. Previously, the modeling of Priority Level 5 veterans used Allstates_h to set target levels for each state and each of three major age groupings, which were smoothed using one age slope derived from publicly available census poverty estimates. The new approach is a significant improvement since Allstates_h was not at the desired level of detail (it could not support geographic variation between Sectors within each state, which is known to exist) and was based on the 1990 census.

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Geographic variations among Priority Levels 1 through 3 had previously been modeled at the state level using Allstates_h. In the current VetPop Proxy development, geographic variation by Market in the pool (definition to follow) was derived from the C&P file. The overall number of veterans with service-connected disabilities was adjusted in each market to reflect the C&P data, with additional refinements to the relativities between Priority Levels 1, 2 and 3 computed for each VISN.

During CARES II, the creation of the VetPop Proxy involved first projecting distributional assumptions for Priority Level in the pool into all future years and then projecting enrollment into all future years. Since the pool grows significantly each year under this model, these assumptions were increasingly leveraged within the enrollment projections as it was recursively projected each year. In order to reduce this effect and place more emphasis on the Priority Level distribution of the most recent enrollment projection year, the pool was forecasted only one year ahead of each yearly enrollment projection. After each projection year, all assumptions were reset and a new best estimate of the Priority Level distribution of the next year's pool was computed. See Exhibit II-2-2 for an illustration of this conceptual change.

Overview of Projection and Key Definitions

The projection period includes the time frame from October 1, 2002 to September 30, 2023. At the end of each fiscal year *T* during that period, veterans in fiscal year *T+1* can be classified into three groups:

(1) Veterans enrolled at the time *T* and still alive and enrolled at the time *T+1*
(2) New enrollees at the time *T+1* who were not yet enrolled at the time *T*
(3) All other non-enrolled veterans at the time *T+1*

At any time, the total number of veterans is (1) + (2) + (3). An estimate of this value throughout the projection period was provided by the VA Office of the Actuary (OACT). The total reflects current veterans and future separations from the military, projected forward with survival, geographic migration and changes in disability status.

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Item (1) is referred to as the *mortality-only projection* at the time *T+1*. Using the best estimate of enrollment as of the time *T*, the mortality-only projection is forecast using assumptions for survival, changes in Priority Level status and geographic migration.

The *pool* at the time *T+1* is the remainder, (2) + (3). The pool may grow with new separations from the military and shrink with the effects of mortality.

The *enrollment projection* at the time *T+1* is (1) + (2). Thus, the enrollment projection consists of a cohort of enrollees diminishing in number due to mortality and a growing cohort of new enrollees enrolling out of the pool under assumed enrollment rates (further discussed in Section II- 7).

The starting point for this recursive process is a snapshot of the enrolled population as of September 30, 2002.

The Need to Impute Priority Level in the Pool

The MEF provides a detailed snapshot of the Priority Levels of enrolled veterans at a fine level of detail as of September 30, 2002. In addition, the Users file conveys similar information about veterans who had contact with the VA Health Care System from FY 1996 to FY 1998, but who may not have subsequently enrolled. The Master Enrollment and User File (MEUF) is a combination of the two files and provides a complete Priority Level status for a significant percentage of the veteran population.

To the extent that the MEUF contains information about current enrollees and non-enrolled users for a given age/gender and Sector cohort, there is no need to model the Priority Level distribution of the entire VetPop.

However, there is a need to make implicit assumptions about the Priority Level distribution in the pool. As mentioned in the overview, in every year there incurs enrollment out of the pool, which adds to the enrollment projection (item (2) in that discussion). Since new enrollees must be immediately tracked by Priority Level, separate enrollment rates must be calibrated for each Priority Level. This requires an assumption about the size of the pre-image of each Priority

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Level; the pre-image is the group of veterans who, if they were to enroll, would be classified into the given Priority Level.

In FY 2002 the pool is the number of veterans not on the MEF; that is, veterans who are not enrolled in the VA Health Care System as of September 30, 2002. It remains to determine the Priority Level distribution within the pool in order to arrive at a complete VetPop Proxy in FY 2002.

In FY 2002:

VetPop Proxy = Pool Count + MEF Count

In a projection year *X*:

VetPop Proxy = Pool Count + Enrollment Projection (1)

The objective is to take the Pool Count in (1) above and allocate it to the Priority Level, the pre-images. The enrollment rates are then applied to each Priority Level pre-image in the pool to determine how many veterans are expected to enroll out of the pool during the next projection year and to which Priority Level they will be assigned.

VetPop Proxy: Priority Levels 1a, 1b, 2 and 3 - Service-connected Disabled

The National VetPop was supplied by the VA OACT and is a primary source of information for determining the distribution of veterans in Priority Levels 1a, 1b, 2 and 3 by age and gender. However, its value is limited to veteran characteristics at the national level, as it contains no county-level detail. Therefore, these data were used to develop a baseline national distribution for the proportion of veterans in Priority Levels 1a, 1b, 2 and 3 by age and gender.

The C&P file contains detailed information about Priority Level 1 (1a and 1b combined), 2 and 3 veterans by county as of September 30, 2002. After ignoring veterans on the MEUF file, the remainder is a reasonable proxy for the pool of Priority Levels 1 to 3 veterans in 2002, at least as far as regional variation is concerned. Therefore, the relativities observed in the C&P file were used to vary the baseline's national distribution of Priority Levels 1 to 3 by geographic location.

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The degrees of disability coded in the National VetPop provide a fairly robust crosswalk to Priority Levels 1 to 3. It was determined that, in the absence of contradictory information, the following mapping from degree of disability to Priority Level would be used:

P1-3 Crosswalk

10% - 20% Service-Connected Disability	↔	Priority Level 3
30% - 40% Service-Connected Disability	↔	Priority Level 2
50% - 60% Service-Connected Disability	↔	Priority Level 1b
70% - 100% Service-Connected Disability	↔	Priority Level 1a
0% Service-Connected Disability	↔	all other Priority Levels
Non-Service-Connected Disability	↔	all other Priority Levels
Not Disabled	↔	all other Priority Levels

In FY 2002, for each age and gender, the national baseline distribution of Priority Levels 1a, 1b, 2 and 3 was set equal to the greater of the number of veterans in the degree of disability interval listed above or the number of veterans appearing in either the MEUF or the C&P files. This method illustrates the general approach taken in the modeling of Priority Level - to subject informed assumptions to known constraints. As stated, this method can only increase the number of veterans assigned to a given Priority Level using only the P1-3 Crosswalk. In order to avoid an unrealistic bias, the method was augmented to shift veterans from a lower Priority Level to a higher Priority Level whenever the MEUF and C&P files indicated a need to increase the number in the higher Priority Level. In this way, the numbers of veterans in each Priority Level were allowed to depart from the base assumptions implied by National VetPop while essentially maintaining the total number of veterans in Priority Levels 1 to 3 that the National VetPop would otherwise imply.

As stated above, the geographic variation from the national baseline was derived from the C&P file. The empirical geographic distribution in the C&P file was smoothed to give Market-level adjustments to the overall number of veterans in Priority Levels 1 to 3 and VISN-level adjustments to the distribution of each of Priority Levels 1 to 3, relative to the whole.

Using the national baseline distribution and the set of geographic adjustment factors described above, the veteran counts in each Sector / Age Band / Gender block were allocated to Priority

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Levels 1a, 1b, 2, 3 and all other (Priority Levels 4-7) as well as to individual ages within each Age Band.

VetPop Proxy: Priority Level 4 – Catastrophically Disabled and Homebound

The catastrophically disabled and housebound veterans (Priority Level 4) were modeled as a percentage of veterans not already assigned to Priority Levels 1 to 3, that is, as a percentage of Priority Level 4 to 7 veterans. This percentage was derived using an exponential slope as a function of age, subject to the following constraints: 3% of all veterans not already assigned to Priority Levels 1 to 3 were to be assigned to Priority Level 4, with a limiting case of nearly 9% of the oldest veterans being assigned. The selection of an exponential model was based on its consistency with Americans with Disabilities data as well as veteran data. The target of 3% matches the assumption used in CARES Phase II, which was derived from the analysis of Allstates_h.

Regional variation in the Priority Level 4 distribution was not modeled because no reliable data source was found containing information about regional variation in catastrophic disability among veterans or the general population.

VetPop Proxy: Priority Level 5 – Low-Income Veterans

The low-income veterans in Priority Level 5 were modeled as a percentage of veterans not already assigned to Priority Levels 1 to 4. Since National VetPop is silent on Priority Level 5 distributions (the size of Priority Levels 1 to 3 notwithstanding), it was necessary to use other sources of information.

The primary source of information was *Vets2000_County_P57_uspr_r*, a VA OACT analysis of Census 2000 long forms. Although the long forms are not for public disclosure, the results of the analysis were summarized to a high level suitable for public release. For each of 506 Sectors and four age bands, the portion of self-reported veterans was allocated into two groups, low-income (P5Star) and high-income (P7Star) according to self-reported income and asset information. The threshold for assignment to P5Star was the same as that for Priority Level 5, so that if these veterans were to enroll they would likely be assigned to Priority Level 5, disability status

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notwithstanding. If the veterans in the P7Star group were to enroll, they would be assigned to Priority Level 7; again, without consideration for disability status.

The central problem to overcome was to estimate the portion of P5Star and P7Star that would be assigned to Priority Levels 1 to 4. After establishing the carve-out, the remainder can be used to estimate the relative number of veterans in Priority Level 5 versus Priority Levels 6-7. The simple relativity between P5Star and P7Star is not suitable for this purpose because a disproportionate number of Priority Level 1 to 4 veterans are low-income, compared to the total veteran population; using it would overestimate the true number of Priority Level 5 veterans.

The proportion of Priority Level 5-7 veterans who are Priority Level 5 was estimated using the formula:

(P5Star - # Priority Level 4 - # Low-income Priority Level 1-3) / (# Priority Level 5-7)(2)

This approach makes two key assumptions; first, that essentially all catastrophically disabled and homebound veterans (Priority Level 4) are low-income; second, the portion of Priority Level 1-3 veterans who are low-income can be estimated.

The first assumption is reasonable and its deviation from reality should not have a material impact on the result, given the small number of Priority Level 4 veterans. The second assumption required a VHA internal analysis of the 2001 National Survey of Veterans. This analysis used information on Priority Level, family income and dependent status to simulate the Priority Level 5 means test using dependent-qualified thresholds. This was done for service-connected disabled veterans and all other veterans combined. Based on the simulation, it was determined that service-connected disabled veterans had a higher rate of low-income qualification than other veterans, and that the increase in this propensity ranged from 8% to 40%, depending on the age band.

Service-Connected Disabled

Age Band	Increased Low-Income Proportion
18-44	40%
45-64	31%
65-84	8%
85-100	20%

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According to the table, a 50 year-old veteran with a service-connected disability is 31% more likely to be low-income than a veteran of the same age who does not have a service-connected disability.

Using these relativities, formula (2) was calculated for each Sector and each of four age bands. For each sector, the results were smoothed from the four age bands to create a slope by individual age. The shape of the slopes was modeled using information from Census 2000 Poverty Estimates – Public Release. The portions were then applied to the VetPop Proxy to further split Priority Levels 5-7 into Priority Level 5 and the remainder, Priority Levels 6-7.

VetPop Proxy: Priority Levels 6, 7a and 7c

Having determined the number of veterans in each of Priority Levels 1 to 5 for each age and gender, the remainder represents Priority Level 6, 7a, and 7c veterans, collectively.

A well-defined counting technique has not been identified to distinguish among these specific Priority Level groups. However, the split can be made in a way that allows the enrollment projection process to be well defined. The current enrollees in these groups show how part of the split should be made. The veterans in the pool can be split using the enrollment rates calculated for Priority Levels 6, 7a and 7c.

Let the variable *Pool_67* be the total number of veterans in the pool not already classified into Priority Levels 1 to 5, and let the variable R_6, R_{7a}, R_{7c}, denote the enrollment rates observed from this pool into each of Priority Levels 6, 7a, and 7c, respectively. The enrollment projection under this design is equivalent to one in which the pools for each Priority Level are assumed to be

$$\text{[Priority Level 6 pool]} = Pool_67 * (R_6) / (R_6 + R_{7a} + R_{7c})$$
$$\text{[Priority Level 7a pool]} = Pool_67 * (R_{7a}) / (R_6 + R_{7a} + R_{7c})$$
$$\text{[Priority Level 7c pool]} = Pool_67 * (R_{7c}) / (R_6 + R_{7a} + R_{7c})$$

and enrollment rates are assumed to be uniform at $R = R_6 + R_{7a} + R_{7c}$ for each Priority Level. This is how the remaining pool was allocated to Priority Levels 6, 7a, and 7c, thus completing the construction of the VetPop Proxy.

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The distinction made in the VetPop Proxy between Priority Levels 6, 7a and 7c is designed only to support the enrollment projection mechanism and should not be interpreted as an assertion about the actual classification of veterans into these Priority Levels.

How the Priority Level Distribution is Varied with Time

The next step was to apply the distributional assumptions from the base year to the projection years.

The approach asserts that Priority Levels 1 to 3 exhibit strong cohort effects tied to the various military campaigns that produce most service-connected disabilities. For example, veterans of the World Wars and the Korean and Vietnam Wars are characterized by higher rates of service-connected disabilities. To the extent that the Priority Level mix in the 2002 VetPop Proxy differs from the Priority Level mix implied by the National VetPop in 2002 (using the P1-3 Crosswalk defined in the subsection on Priority Levels 1 to 3), the differences were projected into future years based on birth year and gender. For a given birth year, gender and Priority Level *P* (1a, 1b, 2 or 3), the number of veterans assigned to *P* in a future year is equal to the number of Priority Level *P* veterans implied by the National VetPop in that year (using the P1-3 Crosswalk), adjusted by the factor applied to the same veterans in 2002.

On the other hand, the model asserts that the future Priority Level distribution of veterans without service-connected disabilities is explained by age (attained in the projection year) and gender alone. Poverty rates, for example, exhibit a strong relationship to age. Without supporting data and strong theory to suggest cohort effects, the model distributes veterans in future years into the remaining Priority Levels 4 to 7 as a function of attained age and gender alone. For a given age, gender and Priority Level *P* (4, 5, 6, 7a or 7c), the number of veterans assigned to *P* in a future year is computed from the same percentages used for veterans of the same age in 2002, after Priority Levels 1 to 3 have been determined.

Modeling by Individual Age

Although single year of age is not included as a deliverable, it remains important to the enrollment projection process. Cohort effects are too strong to assume, for example, that ages

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are evenly distributed across 5-year age groups at any point in time. Thus, it is important to create VetPop Proxy at the single year of age. This is accomplished by assuming that the National age distribution of the pool (within an age group, Priority Level and gender for a given year) can be attributed to the pool for each Sector.

When Enrollment Projections Exceed Vet Pop

For a few Fiscal Year / Sector / Age Group / Gender combinations, the mortality-only projection exceeded VetPop, creating a "negative pool." The distribution of Priority Levels in these cells was assumed to be the same as that of the mortality-only projection. This is equivalent to an assumption of constant "market share" (where "market share" is greater than 100%) for each Priority Level in the mortality-only projection.

The enrollment projection process does not allow new enrollment to occur in cells where a negative pool is emerging. This self-correcting rule assures that the unique assumptions for mortality, Priority Level transition and geographic migration among enrollees will not lead to results that dramatically contradict the VA OACT VetPop Projection.

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Exhibit II-2-1
Enrollment Projections
VetPop Proxy Data Sources

VP01Adj_National_v2
This is a Census2000 VetPop projection, detailing veterans by age, gender and degree of disability for Fiscal Years 2000 to 2030. This file includes no geographic detail.

VP01Adj_County_v2
This is a Census2000 VetPop projection, detailing veterans by county, five-year age band, and gender for Fiscal Years 2000 to 2030. This file does not include overseas veterans, but overseas veterans can be inferred based on the difference between National and County.

CP902
The C&P file contains all veterans receiving Disability & Pension benefits from VBA as of September 30, 2002. This consists primarily of Priority Levels 1 to 3. The C&P file was used only to identify veterans not present on the MEF or on the User file. Scrambled SSN, Date of Birth, Gender, Zip Code and Priority Level were contained on this file.

Users96, Users97, Users98
The Users files contain all veterans who received health care services from VHA during Fiscal Years 1996 through 1998. This file is used to supplement veteran counts from the MEF. Scrambled SSN, Date of Birth, Gender, Zip Code and Priority Level were contained on this file. The Users file was used only to identify veterans not present on the MEF.

Deaths (BIRLS Death File)
The BIRLS death file was used to identify deceased veterans from the C&P file and the Users files, to avoid counting them in the VetPop Proxy. All veterans dying before September 30, 2002 were excluded.

Sep02Final (Master Enrollment File)
The MEF is described at the beginning of Section II-1.

Allstates_h
VHA Office of Policy and Planning created Allstates_h in August 2001. This data provided VetPop projections from Fiscal Years 2000 to 2010 by Priority Level, County and Age Band (< 45, 45 to 64, 65 +). This is the most recent data supplied by VA containing VetPop projections by Priority Level. Because of the major changes in estimates of VetPop by county since the creation of Allstates_h, and because of the limited value of the age information, Allstates_h was only used in this analysis to help set the national number of Priority Level 4 and Priority Level 5 veterans.

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Census 2000 Poverty Estimates – Public Release

The tables provide the distribution of US population below the poverty level by nine age groupings. The U-shaped distribution is well suited to imputing a smooth distribution by age for use in the Priority Level 5 development.

Americans with Disabilities: 1997 – Table 1

The table gives a functional relationship between age and the proportion of the population with disabilities, in particular those that "need assistance". Although VA data was relied on chiefly to set global targets for the size of the Priority Level 4 population, this table was used to justify fitting an exponential slope.

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Exhibit II-2-2
VetPop Proxy Development
Pool and VetPop Proxy Methodology Change between CARES II and FY04 ELDA

The pool to be allocated to Priority Level for the VetPop Proxy at any point in time is the difference between the VetPop and the so-called "Mortality-only Enrollment Projection" at that point in time. The diagrams below illustrate the change in the mortality-only projection between CARES II and FY04 ELDA.

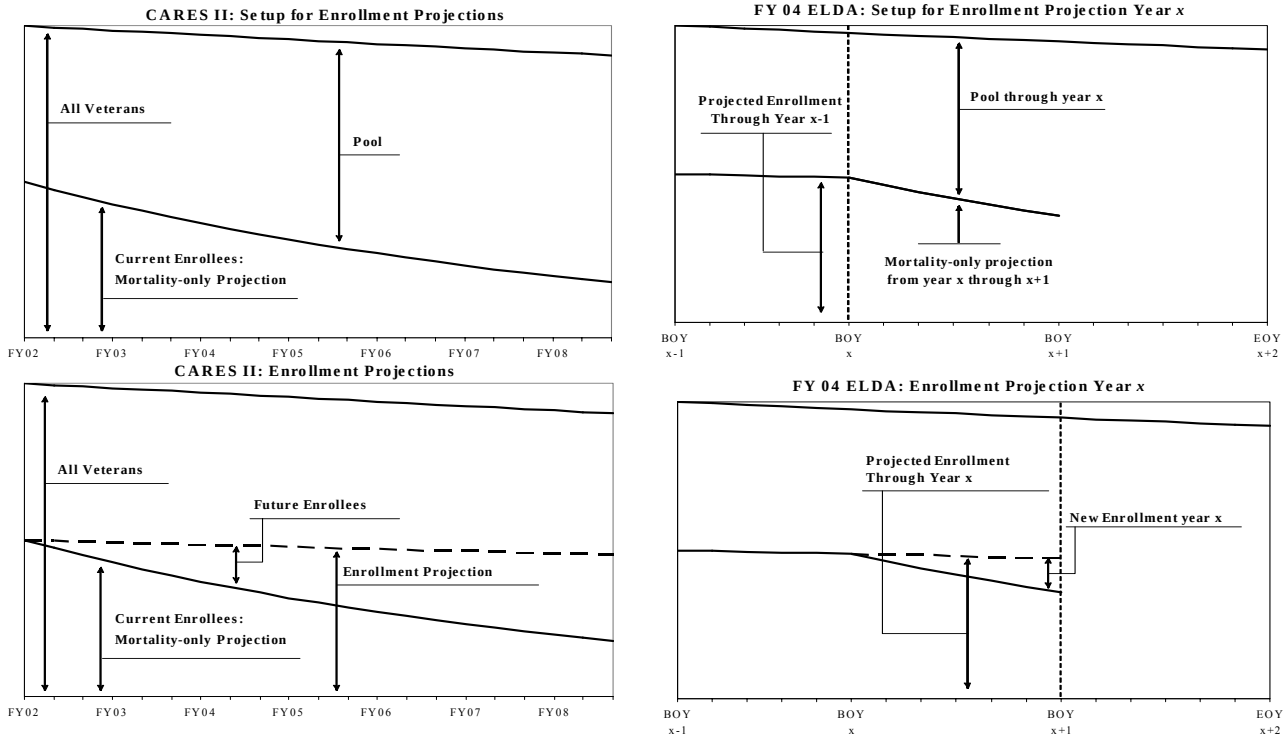

Illustration of the change in pool and enrollment projection methodology from CARES II to FY04 ELDA

The top box on the left shows that during CARES II, the mortality-only projection was developed for all years based on the master enrollment file, considering only future mortality. Thus, the pool to be allocated to Priority Level in each year increased as the number of veterans enrolled at the beginning of the projection period diminished. The top box on the right shows that during FY04 ELDA, the mortality-only projection was conducted just one year into the future, based on the prior year's enrollment projection, thus allowing all of the other assumptions in the enrollment projection process (including enrollment rates and migration patterns) to be reflected in the VetPop proxy, and reducing the size of the pool to be allocated to Priority Level.

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The boxes on the bottom show that the mortality-only projection deviates less from the full enrollment projection over time in the FY04 ELDA method as compared to the CARES II method.

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Section II-3
Enrollment Projection Methodology

Major Data Sources Contributing to the Enrollment Projections

The enrollment projections utilized the following data:

- Data used to create the Master Enrollment File;
- Historical Priority and Geography File: *Migr9902* (Migration Data Set); and
- Major data sources contributing to the VetPop Proxy contribute indirectly via the functionality of the VetPop Proxy in the enrollment projections.

Additional information regarding these sources is included in Exhibit II-2-1.

Changes to Enrollment Projection Methodology for FY04 ELDA

Enrollee Priority Transition Rates
The tendency of enrolled veterans to change Priority Level over time was studied for FY04 Enrollment Level Decision Analysis (ELDA). The results of this study can be found in Section II-5.

Enrollee Geographic Migration Rates
Enrollee migration patterns were studied for FY04 ELDA. The results of this study can be found in Section II-6

Enrollment Rates
A new Enrollment Rate study was completed for FY04 ELDA and is included as Appendix C to this report. One of the key changes resulting from this study was that there are no longer distinct rates for Enrollee Pre and Enrollee Post. Details regarding the study and the enrollment rates used can be found in Section II-7.

Mortality Rate
A new Mortality study was completed for FY04 ELDA. Details regarding the study and the mortality ranges used can be found in Section II-8

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Monthly VetPop Proxy

Two changes were made to the estimation of monthly VetPop proxy. These changes were made to improve the fidelity of the enrollment projections in cells where market share is nearly 100%. First, a beginning of year VetPop Proxy was developed using methods analogous to those described in Section II-2. This VetPop Proxy includes minor adjustments to the prior year's End of Year VetPop Proxy to reflect Age, Priority Level and Geographic migration at the beginning of the year. Second, the monthly interpolation of VetPop Proxy was changed from linear to exponential, so as to more faithfully reflect the exponential mortality assumed in the enrollment projections. These changes reduce the total number of cells in the enrollment projections with market shares exceeding 100%.

Design of support for policy decisions in enrollment projections

Support for evaluating the impact of policy decisions is a critical component of the ELDA process. Because many potential policy decisions have an impact on projected future enrollment, it is important that the enrollment projection process be streamlined to rapidly support analysis of those potential decisions. The following measures were taken to streamline this process:

- Elimination of preferred facility;
- Enrollment projection runs one year at a time instead of all years at once;
- Enhanced support for GMT Priority Level splits;
- Tracking of "pent-up" demand;
- Ability to specify changes in open enrollment on a monthly basis; and
- Capture of Average, Unique, Beginning-of-year and End-of-year enrollment in a single projection run.

In FY03 ELDA and prior, the primary basis for the VA Enrollee Health Care Projection Model was Preferred Facility. This projection basis complicated the enrollment projection process, as enrollment was projected by county, but then converted to Preferred Facility. In FY04 ELDA, the primary basis for the VA Enrollee Health Care Projection Model is County of Residence, which is consistent with the enrollment rate development (Section II-7) and the VetPop Proxy (Section II-2). Enrollment by Preferred Facility is still produced, however is now a secondary process and is described in Section XII.

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In FY03 ELDA and prior, the enrollment projection process was designed to be a one-time event. It was assumed that once the VetPop Proxy was created and the enrollment rates were established, that there would be only one enrollment projection to cover all years. As a consequence, a significant re-programming effort was required to handle each additional enrollment scenario. The projection process has been modified now to handle projections one year at a time, with the prior end-of-year enrollment projection being used as the starting basis for the current year's projections. For example, scenarios that only affect enrollment in FY 2005 and future will no longer require fiscal years 2003 to 2004 to be rerun.

The modeling for Geographic Means Test (GMT) Priority Levels 7 and 8, which was first introduced during CARES II, has now been incorporated into the main enrollment projections. The projection algorithm now splits Priority Level 7 veterans into GMT Priority Levels 7 and 8 as they enroll. Along with the "pent-up" demand tracking described below, this enables rapid turn-around for scenarios involving changes to open-enrollment policies for GMT Priority Levels 7 and 8. It is important to note that any further subdivision of Priority Levels 7 and 8 would require substantial effort and is not contained within this enhancement.

The enrollment projection model now tracks the number of veterans who would have enrolled if enrollment had been open for the entire projection period. Those who would have enrolled, but were denied because of a change in enrollment policy are tracked so that in case of a future policy decision to again allow enrollment of these veterans, the impact of that "pent-up" demand on enrollment can be measured.

For each GMT Priority Level (7a, 7c, 8a, 8c), enrollment status can be defined as of the beginning of any month. The status can be any of the following:

1. Open enrollment;
2. Suspended enrollment; and
3. Complete disenrollment.

On any month of open enrollment after a period of suspended enrollment or disenrollment, it is assumed that 100% of "pent-up" demand will enroll or re-enroll.

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The enrollment projection model now captures several pertinent enrollment estimates for each Fiscal Year of the projection. The estimates now captured are:

- Beginning of Fiscal Year Enrollment;
- End of Fiscal Year Enrollment;
- Unique Enrollees during Fiscal Year; and
- Average Monthly Enrollment during Fiscal Year.

Using these estimates, two additional values are readily available, unless there has been disenrollment during the year:

- Enrollee Deaths during a Fiscal Year = Unique Enrollment – End-of-Year Enrollment;
- New Enrollment during a Fiscal Year = Unique Enrollment – Beginning-of-Year Enrollment.

These projections are incorporated into the VA Enrollee Health Care Projection Model and are now contained in all model summaries.

Enrollment Projection Methodology

The purpose of the enrollment projection model is to project future VHA enrollment, according to reasonable inputs and assumptions, and subject to a variety of conceivable policy decisions. The conditions for success of the enrollment projection include:

- Sufficient demographic detail for adequate risk-assessment;
- Sufficient demographic detail to understand the changing risk profile and health care demands of the enrolled population;
- Sufficient demographic detail to support short-term decisions and long-term planning;
- Sufficient accuracy and plausibility for use in decision-making and planning.

In many cases, the enrollment projection model provides greater precision than is justified by the accuracy of the available inputs and assumptions. This precision is important, however, because it is sensitive to changes in the underlying inputs and assumptions, and because it provides a

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sound foundation for improved projections as more accurate inputs and assumptions become available.

The demographic detail presently required to meet the conditions for success of the enrollment projections is as follows:

- Consolidated County ("Sector") of Residence
- Enrollee Priority Level
- Enrollee Type (Enrollees present in the VA Health Care System prior to open enrollment have different risk characteristics than those entering the VA Health Care System at a later time.)
- Gender
- Age (in 5-year age ranges from <25 to 85+)

Because of the unique age distribution of veterans, it is important to model the enrollment projections at the single year of age before aggregating to 5-year age bands.

The enrollment projection model is a recursive monthly projection model using the following inputs:

- Projected veteran population (beginning of year and end of year);
- Veteran enrollment rates;
- Enrollee mortality rates;
- Priority Transition rates;
- Geographic Migration rates;
- Projected enrollment (beginning of month).

The following formulas describe the primary calculations in the enrollment projection model:

- Projected Enrollment (Beginning of Month) = Projected Enrollment (End of Prior Month).
- Enrollment Pool (Beginning of Month) = Projected Veteran Population (Beginning of Month) – Projected Enrollment (Beginning of Month);
- New Enrollment = Enrollment Pool (Beginning of Month) × Monthly Enrollment Rate;

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- Enrollee Deaths = [Projected Enrollment (Beginning of Month) + New Enrollment] × Monthly Enrollee Mortality Rate;
- Projected Enrollment (End of Month) = Projected Enrollment (Beginning of Month) + New Enrollment – Enrollee Deaths.

Finally, the projection models calculate migration on an annual basis. Migrations that are modeled at the beginning of each year are:

- Age (All veterans are assumed to age at the beginning of each fiscal year.)
- Priority Level (Described in Section II-5)
- Geography (Described in Section II-6)

Migrations reflect the anticipated end-of-year status for enrolled veterans. That is, all changes anticipated to happen during the year are assumed to happen at the beginning of the fiscal year.

While details and definitions will be provided in subsequent paragraphs, the concept behind the methodology is straightforward: given a certain number of veterans eligible to enroll (but not yet enrolled) at the beginning of the month (the "pool"), and given that a certain proportion of the pool enrolls each month (the "rate of enrollment"), then the number of new enrollees is, by definition, the product of this rate and pool size. Enrollee deaths follow a simplified multiple-decrement mortality model: all new enrollment within each month is assumed to happen prior to any enrollee deaths during that month.

The remaining paragraphs of this section detail and justify the methods used to determine the component parts of the above equation. Given that the projected enrollment was determined for each single-year age group, for each gender, for each Priority Level, for each Enrollee Type, for each Sector, and for each month of each Fiscal Year through 2023, the simplicity of the above equation is deceiving.

Projected Veteran Population (Beginning of Month)

VetPop Proxy, as described in Section II-2, is an annual projection. It is based on Census 2000 VetPop, which contains within it both a mortality model and a military separation model. Thus, all increments and decrements to VetPop are already contained within VetPop Proxy. In order to

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transition from annual veteran population to monthly veteran population, exponential interpolation was used. Using methods analogous to those described in Section II-2, a Beginning-of-Year VetPop Proxy is created for each Fiscal Year by allocating the Beginning of Year Pools to Priority Level. For each cell, monthly veteran population can then be calculated:

Define Month = 0 for October through Month = 11 for September;
Projected Veteran Population (Beginning of Month) = {Projected Veteran Population (Beginning of Year) ^ [1 – Month÷12] × Projected Veteran Population (End of Year) ^ [Month÷12]}.

Projected Enrollment (Beginning of Month)

Projected Enrollment at the beginning of the month is equal to Projected Enrollment at the end of the prior month. All ages greater than 100 are aggregated to age 100.

Age

During any Fiscal Year, the age of an enrollee is recorded as Age Last Birthday on April 1 of that Fiscal Year. This definition of age is consistent with that used in Census 2000 VetPop. This definition is such that all enrollees age on October 1 of each year. Unless there is disenrollment, Beginning of Year Enrollment is equal to End of Year Enrollment for the prior Fiscal Year, with one year of aging.

End of Year Enrollment

End of Year Enrollment is enrollment on the last day of the Fiscal Year, subsequent to all new enrollment, disenrollment and deaths during the year.

Beginning of Year Enrollment

Beginning of Year Enrollment is enrollment on the first day of the Fiscal Year, prior to any new enrollment, and deaths during the year, but subsequent to any disenrollment (voluntary or involuntary) on the first day of the year. Age, Priority Level and Geographic migration are applied to prior year end of year enrollment to arrive at beginning of year enrollment.

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Unique Enrollment

Unique Enrollment is the total number of veterans enrolled and alive at any time during the year. This is calculated as Beginning of Year Enrollment + New Enrollment during the year. It is equivalent to End of Year Enrollment + Deaths and Disenrollment during the year.

Average Enrollment

Average Enrollment is the average over the Fiscal Year of Unique Monthly Enrollment. Unique Monthly Enrollment is the total number of veterans enrolled and alive at any time during the month. This is calculated using Projected Enrollment (Beginning of Month) + New Enrollment for each month of the Fiscal Year. Average Enrollment is the basis for projecting health care utilization and expenditures, as it is the most useful measure of exposure available.

Starting Point for Recursive Formula

The recursive formula uses the September 30, 2002 Master Enrollment File as the initial condition. The enrollment for end of FY 2002 consists of all enrollees listed on the MEF, alive and enrolled on September 30, 2002. An initial application of Priority Transition and Geographic Migration is applied to the end of 2002 enrollment to create the beginning of year 2003 enrollment for the recursive formula. The enrollment projections begin as of October 1, 2002.

GMT Priority Levels

The projections for GMT Priority Levels 7 & 8 are allocations based on a study performed during CARES Phase II, and described in the report titled, "FY03 VA Enrollee Health Care Projection Model Update, Fiscal Years 2002 through 2022" dated February 12, 2003 – Section III" (attached as Appendix B). For the enrollment projections, the formula *New Enrollment = Enrollment Pool (Beginning of Month)* × *Enrollment Rate* is modified for Priority Levels 7a and 7c as follows:

- GMT Priority Level 7a New Enrollment = Priority Level 7a New Enrollment × GMT Priority Level 7 Proportion;

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- GMT Priority Level 8a New Enrollment = Priority Level 7a New Enrollment × GMT Priority Level 8 Proportion;
- GMT Priority Level 7c New Enrollment = Priority Level 7c New Enrollment × GMT Priority Level 7 Proportion;
- GMT Priority Level 8c New Enrollment = Priority Level 7c New Enrollment × GMT Priority Level 8 Proportion;
- GMT Priority Level 7 Proportion = 0.0 for counties where GMT threshold < Priority Level 5 Means Test (PL5MT) threshold;
- GMT Priority Level 7 Proportion depends on Age and VISN for counties where GMT threshold > PL5MT threshold;
- GMT Priority Level 8 Proportion = 1.0 – GMT Priority Level 7 Proportion.

"Pent-Up" Demand

For any month in which enrollment is suspended, the projection formula is modified for the appropriate Priority Levels as follows:

- Projected Enrollment (Beginning of Month) = Projected Enrollment (End of Prior Month);
- Suspended Enrollment (Beginning of Month) = Suspended Enrollment (End of Prior Month);
- Enrollment Pool (Beginning of Month) = Projected Veteran Population (Beginning of Month) – Projected Enrollment (Beginning of Month) – Suspended Enrollment (Beginning of Month);
- New Enrollment = 0;
- Additional Suspended Enrollment = Enrollment Pool (Beginning of Month) × Monthly Enrollment Rate;
- Enrollee Deaths = Projected Enrollment (Beginning of Month) × Monthly Enrollee Mortality Rate;
- Suspended Deaths = [Suspended Enrollment (Beginning of Month) + Additional Suspended Enrollment] × Monthly Enrollee Mortality Rate;
- Projected Enrollment (End of Month) = Projected Enrollment (Beginning of Month) – Enrollee Deaths;

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- Suspended Enrollment (End of Month) = Suspended Enrollment (Beginning of Month) + Additional Suspended Enrollment – Suspended Deaths.

Disenrollment

For any month in which enrollees are involuntarily disenrolled, the projection formula is modified as follows:

- Projected Enrollment (Beginning of Month) = 0;
- Suspended Enrollment (Beginning of Month) = Projected Enrollment (End of Prior Month) + Suspended Enrollment (End of Prior Month);
- Enrollment Pool (Beginning of Month) = Projected Veteran Population (Beginning of Month) – Suspended Enrollment (Beginning of Month);
- New Enrollment = 0;
- Projected Enrollment (End of Month) = 0;
- Additional Suspended Enrollment = Enrollment Pool (Beginning of Month) × Monthly Enrollment Rate;
- Suspended Deaths = [Suspended Enrollment (Beginning of Month) + Additional Suspended Enrollment] × Monthly Enrollee Mortality Rate;
- Suspended Enrollment (End of Month) = Suspended Enrollment (Beginning of Month) + Additional Suspended Enrollment – Suspended Deaths.

Resumption of Enrollment

For any month of open enrollment subsequent to a period of suspended enrollment or disenrollment, the projection formulas are modified as follows:

- Suspended Enrollment (Beginning of Month) = Suspended Enrollment (End of Prior Month);
- Enrollment Pool (Beginning of Month) = Projected Veteran Population (Beginning of Month) – Projected Enrollment (Beginning of Month) – Suspended Enrollment (Beginning of Month);
- New Enrollment = Enrollment Pool (Beginning of Month) × Monthly Enrollment Rate + Suspended Enrollment (Beginning of Month);

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- Suspended Enrollment (End of Month) = 0;
- Enrollee Deaths = [Projected Enrollment (Beginning of Month) + New Enrollment] × Monthly Enrollee Mortality Rate;
- Projected Enrollment (End of Month) = Projected Enrollment (Beginning of Month) + New Enrollment – Enrollee Deaths.

Separate buckets of suspended enrollment are tracked for Enrollees Pre and Enrollees Post. Reenrollment of Enrollees Pre retains their classification as Enrollees Pre.

Enrollment Fees

Currently, the comprehensive health benefits package offered by VA does not involve charging enrollment fees and therefore, enrollment fees are not modeled directly within the VA Enrollee Health Care Projection Model. For policy simulation scenarios involving enrollment fees, the enrollment projection model predicts behavior assuming there is no enrollment fee. Unreduced enrollment is used as an input to the VA Enrollee Health Care Projection Model, which applies the induced disenrollment to the given enrollment as a result of establishing an enrollment fee. The same reduction factor is applied to all enrollment estimates (Beginning of Year, End of Year, Unique and Average). The models only support introduction of an Enrollment Fee at the beginning of a Fiscal Year.

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Section II-4
County Consolidation Methodology

The most visible change in the Enrollment Projections is that they are no longer projected on an individual county basis, but are, instead, projected on the aggregated level of consolidated counties, or "Sectors." This approach adds significant value to the process, including:

- Increased statistical credibility, through elimination of projections for small populations
- Increased efficiency in scenario modeling through decreased time elapsed for enrollment projection scenarios and cost and utilization projection scenarios.

A Sector, as used throughout this report, is defined as a cluster of geographically adjacent counties, within a CARES-defined submarket. Sector codes follow the coding conventions used for CARES submarket, with an additional code indicating the portion of the submarket. Sector codes are of the form *VV-M-S-X* where *VV* is the VISN code, with leading zeros, *M* and *S* are the CARES Market and Submarket codes, respectively, and *X* is the Sector code. Each Submarket consists of 1 to 15 Sectors, coded "A" through "O," depending on the enrolled population and number of counties in the Submarket.

The process of subdividing Submarkets into Sectors used a combination of automated algorithms and manual inspection of maps. In most cases, it was possible to subdivide markets into Sectors using only the algorithm described below. In other cases, the algorithm alone was inadequate for defining Sectors. In these instances, judgment was used to define Sectors.

Two files were delivered containing the results of this mapping. "Format County to Sector.SAS" is a SAS program containing a complete mapping from FIPS state and county codes to Sectors. "County Consolidation Database_FINAL.xls" is an Excel spreadsheet containing the same mapping, along with a variety of supporting information, including county and state names and population data.

Description of Algorithm

The following algorithm was used to consolidate the 3,142 counties and county-equivalents, in 103 CARES Submarkets, into 506 Sectors.

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1. All *submarkets* were subdivided into one or more sectors.
2. Each sector is fully contained within a single *submarket*.
3. Each sector consists of one or more counties.
4. No sector includes more than one *large county*.
5. Each *ZIP cluster county* is the only county in its sector. (This is necessary for the ZIP Cluster analysis.)
6. Sectors consisting entirely of *small counties* contain at least 6,000 enrollees or 25,000 veterans.
7. *Small counties* were included in the same sector as a *large county*, only when there were too few *small counties* in a *submarket* to form a sector consisting entirely of *small counties*.
8. If a *submarket* consists entirely of *ZIP cluster counties* and *small counties*, then the *small counties* were included in a sector distinct from the *ZIP cluster counties*, even though this region was otherwise too small to be a sector.
9. Sectors consist entirely of counties with the same *parent facility*.
10. When the counties within a *submarket* having a particular *parent facility* had insufficient enrollment to meet the requirement described in (6), those counties were reassigned to the *parent facility* of adjacent counties within the *submarket*.
11. Sectors (except those containing *large counties*) have at most 18,000 enrollees.
12. If the *small counties* within a *submarket*, sharing the same *parent facility*, had more than 18,000 enrollees among them, two or more sectors were formed. Target size for consolidated regions in these instances was 12,000 enrollees per sector.
13. The formation of sectors described in (12) was based primarily on the *PUMA* designations created by the Census Bureau. Adjacent *PUMAs* were combined into sectors to meet the target sizes.
14. When a *PUMA* contained more than 18,000 enrollees, the *PUMA* was subdivided as needed based on county adjacency. Judgment was used to develop this subdivision.

Definitions of italicized terms in this subsection

Submarket: CARES Submarkets, 103 in total.
ZIP Cluster County: ZIP cluster counties are the 62 counties included in the ZIP analysis. There are 8 ZIP cluster counties that would otherwise be considered *small counties*. The remainder would otherwise be classified as *large counties*. The ZIP cluster counties average 22,028 enrollees per county in 2002.

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Large County: Large counties are counties (excluding ZIP cluster counties) with more than 7,500 enrollees or 30,000 veterans. There are 158 large counties, averaging 13,120 enrollees per county.

Small County: Small counties are counties (excluding ZIP cluster counties) with less than 7,500 enrollees and less than 30,000 veterans. There are 2,922 small counties, averaging 1,112 enrollees per county.

Parent Facility: The parent facility for each county is assigned based on the assignments given in the document PMAFY021.XLS provided by Planning Systems Support Group (PSSG).

PUMA: Public-Use Microdata Areas, as defined by the Census Bureau. These areas are aggregations of counties within a state with total population of at least 400,000 persons.

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Section II-5
Priority Level Transition

It has been suggested that transition occurs among Priority Levels over time in the enrollee population. No provision was made for this phenomenon in prior enrollment projections. To assess this, historical data was studied to determine if Priority Level transition patterns are measurable, if the patterns are expected to continue, and if the patterns can be modeled. Other sources, such as population statistics manifested in the VetPop Proxy and Enrollee Mortality Rates were studied with the same purpose. The study included an analysis of transition patterns by age groupings.

Two models were developed for this task, a long-term model and a short-term model, designed to address key concerns and perceived bias in the enrollment projection model. The following sections summarize the considerations, techniques and results of the work.

The Need to Reflect Priority Level Transitions in the Enrollment Projections

It is unreasonable to expect that over a twenty year projection all enrollees will be in the same Priority Level as they were in the Master Enrollment File or when they enrolled. Since Priority Level is a factor in the VA Enrollee Health Care Projection Model, as well as a component of enrollment that is of interest to planners, the enrollment projections attempt to model how veterans move among Priority Levels over time.

Prior enrollment projection models froze the Priority Level of enrollees as of the effective date of the master enrollment file for current enrollment and as of the date of enrollment for projected new enrollees. This strategy biases long-term results in favor of the Priority Level mix for younger, newly separated veterans. The new model mitigates this source of error.

Data Sources

VHA supplied a data set, *Migr9902* (The Migration Data Set), for use in this analysis. It provides a record of past Priority Level assignments for enrollees, alive or deceased, on the Master Enrollment File. Priority Level is recorded as of September 30th in each of four years

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1999, 2000, 2001 and 2002. No entry is made if the veteran was not enrolled at the time. Data scrubbing was performed by both VHA and Milliman actuarial consultants.

General Modeling Considerations

There are six distinct dynamics to consider with respect to Priority Level transitions:

1. Changes in income attributable to general economic factors (job loss, job gain, etc.);
2. Changes in income attributable to aging effects (pay raises, retirement, etc.);
3. Change in Priority Level due to submission of a means test;
4. Changes in non-service-connected (NSC) disability due to aging;
5. Increased or decreased intensity of service-connected (SC) disability (includes previously NSC veterans manifesting a SC disability after separation); and,
6. Increase of SC disability rating due to submission of proof, legal action, etc. (includes previously NSC veterans proving SC disability).

Modeling considerations for each of these effects are described below.

(1) Changes in Income Attributable to General Economic Factors

In general, these changes do not have a net effect on Priority Level transition. Unless explicit assumptions are made regarding changes in the overall economic climate, changing the proportion of Priority Level 5 enrollees (or veterans, for that matter) is not warranted. It may be possible to incorporate specific economic scenarios into the enrollment projection process. In this case, it would be important to reflect that change in both the VetPop Proxy and, in turn the enrollment projections; however this type of change was outside the scope of this task.

(2) Changes in Income Attributable to Aging Effects

It is assumed in the VetPop Proxy that average income increases over time to a certain age and then decreases. The probability of changing from Priority Level 7 to Priority Level 5 (or from Priority Level 5 to Priority Level 7) was set to the net transition probabilities implied by the VetPop Proxy assumptions.

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(3) Changes in Priority Level due to submission of a Means Test

This type of change is a one-time only event, and should only be modeled to the extent that it is believed that the Priority Level coded on the MEF is based on insufficient available data. That is, a certain number of "true Priority Level 5 enrollees" appear on the MEF as Priority Level 7a or 7c. A one-time correction was applied to reflect the eventual submission of a means test for these enrollees.

(4) Changes in NSC Disability Due to Aging

It is assumed in the VetPop Proxy that the likelihood of being a Priority Level 4 veteran increases with age. The probability of changing from Priority Levels 5, 6, 7 or 8 to Priority Level 4 was set to the net transition probability implied by the VetPop Proxy assumptions.

(5) Increased or Decreased Intensity of SC Disability

Possible changes in disability include changes from NSC to SC and increases or decreases in SC degree of disability. It is certain that over the life of a veteran, the intensity of disability will change and that previously undiagnosed SC disabilities will manifest. These changes can result in Priority Level increasing to 8a, 7a, 3, 2 or 1, or decreasing to 2, 3, 4, 5, 7a or 8a. The available data did not allow investigation of this type of transition, however three possibilities were considered:

- An enrollee changes from NSC to SC;
- An enrollee experiences a reduction in SC disability;
- An enrollee experiences an increase in SC disability.

First, there are only a certain number of veterans currently in NSC priorities who will ever manifest symptoms of a SC disability. The number of changes from NSC to SC over a fixed period provides insufficient information about the total number of NSC veterans who will become SC in the future. Second, the number of enrollees experiencing a reduction in SC disability is too small to distinguish from data noise. Third, the data show that the vast majority of increases in SC disability occur during the first 1-2 years of enrollment. There is insufficient

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data to distinguish between the period of high volatility in Priority Level immediately following enrollment and the long-term trends in changes in SC disability.

In light of these issues, a one-time reclassification was applied to reflect the net effect of these changes over the short term. This captured a portion of all of the changes in disability that are expected to happen.

(6) Increase of Service-Connected Disability Rating Due to Proof of Disability

Although the legal process to change degree of disability can go on for years, there are only a limited number of veteran enrollees whose priority will change as a result of this process. It is more appropriate to apply a one-time reclassification to reflect assumptions about the eventual outcome of the legal process than to assume an ongoing chain of reclassifications.

Long-Term Priority Level Transition Rates: Priority Levels 4 through 7

To address the need for long-term priority transition assumptions, three dynamics were modeled as a function of age.

(1) Onset of catastrophic disability – transitions from Priority Levels 5, 6, 7a, 7c to Priority Level 4 *(Note: 8a and 8c are grouped with 7a and 7c respectively for modeling)*;
(2) Increase in wealth – transitions from Priority Level 5 to Priority Level 7c; and
(3) Decrease in wealth – transitions from Priority Level 7c to Priority Level 5.

There was insufficient veteran data available to measure these long-term effects by empirical means. The four fiscal years of transition data (three potential transitions) on the Migration Data Set does not cover a long enough duration and contains a great deal of noise from administrative and other shock transitions.

Instead of using data directly, a model was created using assumptions developed for other aspects of the VetPop Proxy and Enrollment Projections.

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- VetPop Proxy National distribution of Priority Levels 4, 5, 6, 7a and 7c – see subsections II-2 and II-3 for documentation. The allocations were expressed as percentages of the total Priority Level 4-7 population by individual age.
- Enrollee Mortality Rates – see subsection II-8 for documentation.

There are two artifacts of the VetPop Proxy that are of particular interest for the dynamics of (1)-(3) listed above. First, the percentage of Priority Level 4-7 veterans that are catastrophically disabled and homebound (Priority Level 4) is an exponentially increasing function of age. Second, the proportion of low-income veterans is a U-shaped function of age. In other words, income is lowest for the youngest and oldest veterans and highest for the middle age veterans.

Intuitively, the aging process should accompany a low, increasing rate of onset for catastrophic disability. These transitions should be irreversible. Every year there should be a net transition of young veterans moving from Priority Level 5 to Priority Level 7c (increasing wealth), and this net effect should reverse itself at some point in mid to late age.

In the Long-Term Priority Level Transition model, Priority Level 5-7 enrollees are subject to an annual probability of transitioning to Priority Level 4. Young Priority Level 5 enrollees are subject to an additional probability of transitioning to Priority Level 7c. Older Priority Level 7c enrollees are subject to an additional probability of transitioning to Priority Level 5. Young enrollees will lose wealth and older enrollees will grow wealth, but the model is intended to model *net* transitions effects; therefore only one-way, albeit reduced, rates are implemented.

The calculation of these rates reduces to identifying the portion of veterans in each Priority Level at two consecutive ages. The difference in the distributions is discounted for varying survival rates among the Priority Levels and the remaining difference is attributed to Priority Level transition. An example of this calculation is given below.

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Formulation of Transition Rate - Priority 5-7 to Priority 4

R_i = The transition rate from Priority 5-7 to Priority 4
$N4_i$ = Portion of Priority 4 veterans among Priority 4-7 veterans, age i
$N57_i$ = Portion of Priority 5-7 veterans among Priority 4-7 veterans, age i
Note: $N57_i = 1 - N4_i$

$S4_i$ = One-year survival rate for Priority 4 veterans, age i
$S57_i$ = One-year composite survival rate for Priority 5-7 veterans, age i

$$N4_i = (N4_{i-1})(S4_i) + (N57_{i-1})(S4_i)R_i$$
$$N57_i = (N57_{i-1})(S57_i)(1-R_i)$$

The first equation is interpreted as follows: the Priority Level 4 veterans of who attain a given age *i* are comprised of the Priority Level 4 veterans surviving from attained age *i-1* plus the Priority Level 5-7 veterans who transitioned to Priority Level 4 after attaining age *i-1* and survived to attain age *i*.

The second equation is interpreted as follows: the Priority Level 5-7 veterans who attain age *i* are the Priority Level 5-7 veterans surviving from attained age *i-1* who didn't transition to Priority Level 4 during the year.

The two equations shown lead to the formula for R_i below.

$$R_i = \frac{(N57_{i-1})(S57_i)(N4_i) - (N4_{i-1})(S4_i)(N57_i)}{(N57_{i-1})(S57_i)(N4_i) + (N57_{i-1})(S4_i)(N57_i)}$$

Similar formulations were used for the Priority Level 5 to 7c and Priority Level 7c to 5 rates. The results are shown in the table below.

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Baseline Annual Percentage of Enrollees Transitioning

Age	PL 5-7 to PL4	PL7c to PL5	PL5 to PL7c	Age	PL 5-7 to PL4	PL7c to PL5	PL5 to PL7c	Age	PL 5-7 to PL4	PL7c to PL5	PL5 to PL7c
18	-	-	-	45	0.09	-	3.54	72	0.56	2.21	-
19	0.03	-	-	46	0.10	-	-	73	0.58	2.15	-
20	0.03	-	-	47	0.10	-	-	74	0.61	2.19	-
21	0.03	-	-	48	0.11	-	-	75	0.65	2.20	-
22	0.03	-	-	49	0.12	-	-	76	0.68	2.17	-
23	0.03	-	-	50	0.13	-	-	77	0.71	2.15	-
24	0.03	-	0.36	51	0.14	-	-	78	0.75	2.20	-
25	0.04	-	0.86	52	0.15	-	-	79	0.79	2.19	-
26	0.04	-	1.40	53	0.16	0.18	-	80	0.85	2.21	-
27	0.04	-	1.93	54	0.17	0.47	-	81	0.90	2.30	-
28	0.04	-	2.70	55	0.18	0.61	-	82	0.96	2.38	-
29	0.04	-	2.77	56	0.20	0.69	-	83	1.00	2.52	-
30	0.05	-	2.85	57	0.22	0.73	-	84	1.06	2.64	-
31	0.05	-	2.91	58	0.23	0.78	-	85	1.10	2.75	-
32	0.05	-	2.99	59	0.25	0.99	-	86	1.15	2.90	-
33	0.05	-	3.06	60	0.27	1.19	-	87	1.20	2.99	-
34	0.05	-	3.16	61	0.29	1.41	-	88	1.28	3.09	-
35	0.05	-	3.25	62	0.31	1.64	-	89	1.37	2.82	-
36	0.05	-	3.34	63	0.34	1.55	-	90	1.44	2.51	-
37	0.06	-	3.41	64	0.36	1.60	-	91	1.47	2.05	-
38	0.06	-	3.38	65	0.40	1.63	-	92	1.43	1.69	-
39	0.06	-	3.37	66	0.42	1.63	-	93	1.40	1.26	-
40	0.07	-	3.35	67	0.44	1.65	-	94	1.29	1.10	-
41	0.07	-	3.33	68	0.45	2.02	-	95	1.19	0.90	-
42	0.07	-	3.37	69	0.47	2.05	-	96	0.95	0.46	-
43	0.08	-	3.35	70	0.50	2.09	-	97	0.73	0.46	-
44	0.08	-	3.43	71	0.53	2.16	-	98	0.59	0.14	-

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The baseline rates shown above were adjusted by Sector to reflect geographic differences in Priority Level distributions. The general approach is conveyed in the following example. If, in a given Sector, there are a disproportionately large number of Priority Level 7c veterans in the older ages, then the probability of those veterans transitioning to Priority Level 5 should be reduced from the baseline rate. Conversely, if there are few Priority Level 7c veterans in the older ages, it is likely that they will transition to Priority Level 5 with an increased rate.

A SAS Dataset, name "Prio_Transition_Longterm.sas7bdat" was delivered containing all three sets of long-term priority transition rates, by age and gender.

Long-Term Priority Level Transition Rates: Priority Levels 1 through 3

The Long-Term Priority Level Transition Rates do not make provision for transitions between Priority Levels 1a, 1b, 2 and 3 for enrollees, nor do they provide for transitions between NSC and SC. But the VetPop Proxy does reflect the disability transition probabilities used in the VA OACT VetPop. To the extent that the VetPop projects an increase in the proportion of veterans who are SC, and an increase in the average disability level of SC veterans, the enrollment projections reflect continued enrollment out of this increasing population. However, once new enrollment occurs out of Priority Levels 1a, 1b 2 and 3 it is frozen by the current enrollment projection methodology. It may be necessary to study the long-term assumptions for transitions among service-connected-disabled veterans and enrollees. This would allow for improved consistency between the enrollment projections and VetPop.

The disability transition probabilities used in the VA OACT VetPop Projections are described briefly below. The VetPop projections assume pair-wise transition probabilities between four disability statuses:

1 – non-disabled
2 – service-connected-disabled
3 – disabled, non-service-connected
4 – disabled, both service-connected and non-service-connected

These transition probabilities are defined by age and gender and applied annually to the VetPop projections. In addition, the degree of disability of disabled veterans is transitioned among the following percents: 0%, 10%, 20%, 30%, 40%, 50%, 60%, 70%, 80%, 90% and 100%. These

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transition probabilities are defined by gender and applied to disabled veterans annually in the VetPop projections.

FY 2002 Shock Transition

Veterans who enroll for the first time during Fiscal Year 2002 will have a Priority Level recorded as of September 30, 2002 on the Master Enrollment File. A portion of these new enrollees will be assigned to a different Priority Level by September 30, 2003, and most of these transitions will be upgrades in Priority Level. Moreover, the volume of transitions experienced should, on average, be greater for the newest enrollees than for members who have been in the system for longer.

Several reasons for this phenomenon have already been discussed. There is a lag caused by delayed submissions of means tests (proofs of disability and legal actions) before a new enrollee is assigned a higher Priority Level. In these cases, it is natural to assign a low Priority Level until the claim can be adjudicated and the correct Priority Level assigned. This type of activity is, needless to say, highest among the newest enrollees. The following are likely scenarios:

- A veteran with a service-connected disability is assigned to Priority Level 7c until the required examinations are performed and paperwork is filled out. By the time the enrollee is assigned to, for example, Priority Level 3, September 30th has passed and the change is not reflected for the first fiscal year of enrollment.
- A veteran without a service-connected disability, but nevertheless seeking Priority Level 5 status, is initially assigned to Priority Level 7c until the submission of a means test occurs. Again, the final Priority Level assignment may not take effect before September 30th.

In both cases, the Master Enrollment File depicts a picture which is different than the reality that the enrollment projection, and ultimately the VA Enrollee Health Care Projection Model, needs to capture. Ignoring the possibility of these Priority Level upgrades – and most will be upgrades, not downgrades – introduces bias into the model, both in the numbers of projected enrollees in each Priority Level and their corresponding health care costs.

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The unique characteristic of this phenomenon is that it applies mainly to the newest enrollees on the Master Enrollment File. Moreover, the transitions that will occur do not reflect an underlying change in each veteran's overall health status or income level. The Long-Term Priority Level Transition Rates, previously discussed, are designed to catch the long range trend in deteriorating health, changing wealth and other factors that lead to Priority Level transitions and drives utilization and cost patterns. Therefore, a one-time shock transition needed to be applied to the newest enrollees as of September 30, 2002, to place their Priority Level status on an unbiased footing, after which the Long-Term Priority Level Transition Rates will be used.

The Migration Data Set conveys an historical pattern of increased Priority Level Transition among new enrollees. Although most enrollees remain in their original Priority Level assignments, for the small but significant group that experiences a change, the result is nearly always a Priority Level upgrade. For new enrollees aged 55 and assigned to Priority Level 7c on September 30th, chances are nearly 12% that their Priority Level will change before the end of the next fiscal year. This is 50% higher than the transition rate for someone who has already been enrolled for at least two years. There is a large volume of movement from Priority Level 7c to Priority Level 5 and generally much movement into the service-connected disability Priority Levels 1-3 for more recent enrollees.

The following table indicates the average transition rates among new enrollees over the four fiscal years – FY 1999 to FY 2000, FY 2000 to FY 2001 and FY 2001 to FY 2002. This table was delivered in SAS Dataset form, as "Prio_Transition_Shock.sas7bdat".

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		Priority One Year Later								
		1a	**1b**	**2**	**3**	**4**	**5**	**6**	**7a**	**7c**
Present Priority: Age < 45	**1a**	98.7	-	0.9	0.2	-	0.1	0.0	0.0	0.0
	1b	-	98.7	0.9	0.2	-	0.1	0.0	0.0	0.0
	2	2.6	3.1	93.6	0.5	-	0.1	0.0	0.0	0.1
	3	0.6	0.7	3.5	94.7	0.0	0.1	0.2	0.0	0.1
	4	1.2	1.5	0.7	1.4	92.4	2.5	0.0	0.1	0.2
	5	0.6	0.7	1.8	3.9	1.3	86.9	1.0	0.5	3.3
	6	0.4	0.5	1.7	2.7	0.2	4.0	90.0	0.1	0.5
	7a	0.6	0.7	2.4	8.2	0.3	6.5	0.5	79.7	1.3
	7c	0.9	1.1	3.5	5.9	0.3	8.5	0.3	0.9	78.7
Present Priority: 45-64	**1a**	99.2	-	0.5	0.2	0.0	0.1	0.0	0.0	0.0
	1b	-	99.2	0.5	0.2	0.0	0.1	0.0	0.0	0.0
	2	4.4	4.2	91.0	0.2	0.0	0.1	0.0	0.0	0.0
	3	1.4	1.4	4.0	92.6	0.0	0.2	0.2	0.0	0.1
	4	1.0	1.0	0.6	0.8	94.7	1.5	0.1	0.0	0.2
	5	0.5	0.5	0.6	1.2	1.6	87.7	2.3	0.3	5.3
	6	1.1	1.1	1.8	3.3	0.4	7.8	83.4	0.1	1.0
	7a	0.9	0.9	2.3	6.7	0.3	6.9	1.3	78.5	2.1
	7c	0.4	0.4	0.8	1.5	0.3	7.7	0.4	0.3	88.3
Present Priority: Age 65+	**1a**	99.2	-	0.4	0.1	0.0	0.1	0.0	0.0	0.0
	1b	-	99.2	0.4	0.1	0.0	0.1	0.0	0.0	0.0
	2	3.1	2.3	94.3	0.1	0.0	0.1	0.0	0.0	0.1
	3	1.2	0.9	2.3	94.9	0.1	0.3	0.1	0.1	0.2
	4	0.2	0.1	0.1	0.4	98.5	0.5	0.0	0.0	0.2
	5	0.2	0.1	0.2	0.7	2.0	88.2	0.2	0.4	8.0
	6	0.8	0.6	1.3	3.2	0.6	5.5	86.1	0.3	1.8
	7a	0.7	0.5	1.2	4.6	0.7	8.4	0.4	81.1	2.4
	7c	0.1	0.1	0.2	0.7	0.4	6.8	0.0	0.2	91.4

Empirical Single-Year Priority Transition Matrix for New Enrollees

The following table indicates the average transition rates from FY 2001 to FY 2002 among enrollees enrolled during FY 1999.

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		Priority One Year Later								
		1a	**1b**	**2**	**3**	**4**	**5**	**6**	**7a**	**7c**
Present Priority: Age < 45	**1a**	98.7	-	0.9	0.2	0.0	0.1	0.0	0.0	0.1
	1b	-	98.7	0.9	0.2	0.0	0.1	0.0	0.0	0.1
	2	3.3	4.1	92.0	0.4	-	0.1	0.0	0.0	0.1
	3	0.7	0.8	3.4	94.6	0.0	0.1	0.2	0.0	0.1
	4	0.5	0.7	0.5	1.0	96.3	0.4	-	0.1	0.6
	5	0.2	0.2	0.4	1.0	0.8	92.6	0.5	0.5	3.7
	6	0.2	0.2	0.7	1.8	0.1	7.1	89.3	0.2	0.3
	7a	0.2	0.3	1.1	2.9	0.1	5.1	0.1	52.3	37.9
	7c	0.2	0.3	0.6	1.1	0.1	5.0	0.1	0.2	92.3
Present Priority: 45-64	**1a**	99.2	-	0.5	0.1	0.0	0.1	0.0	0.0	0.0
	1b	-	99.2	0.5	0.1	0.0	0.1	0.0	0.0	0.0
	2	6.3	6.0	87.2	0.3	0.0	0.1	0.0	0.0	0.0
	3	1.8	1.7	4.6	91.4	0.0	0.2	0.2	0.0	0.1
	4	1.1	1.1	0.6	1.4	94.7	0.5	0.0	0.1	0.5
	5	0.5	0.4	0.5	1.3	1.1	90.3	1.1	0.3	4.5
	6	0.9	0.8	1.5	3.4	0.3	11.0	81.2	0.2	0.8
	7a	0.5	0.5	1.3	3.9	0.2	6.0	0.6	59.9	27.2
	7c	0.2	0.2	0.4	0.9	0.2	5.8	0.2	0.2	92.0
Present Priority: Age 65+	**1a**	99.3	-	0.4	0.2	0.0	0.1	0.0	0.0	0.0
	1b	-	99.3	0.4	0.2	0.0	0.1	0.0	0.0	0.0
	2	4.7	3.4	91.5	0.3	0.0	0.0	0.0	0.0	0.0
	3	1.6	1.1	2.5	94.2	0.1	0.2	0.1	0.0	0.1
	4	0.2	0.2	0.1	0.5	98.2	0.2	0.0	0.1	0.5
	5	0.2	0.1	0.2	0.6	1.6	91.3	0.1	0.3	5.4
	6	0.8	0.6	1.1	3.1	0.5	5.6	86.7	0.3	1.2
	7a	0.5	0.3	0.9	2.9	0.5	7.3	0.2	68.4	19.0
	7c	0.1	0.1	0.1	0.5	0.3	6.5	0.0	0.2	92.2

Empirical Single-Year Priority Transition Matrix for Enrollees Enrolled for Two or More Years

The empirical rates are satisfactorily steady over the period of study. There is no compelling reason to expect that the transitions occurring during fiscal year 2003 among the newest enrollees as of September 30, 2002 will be materially different than what has been historically observed.

The implementation of these assumptions is straightforward. Before beginning the fiscal year 2003 enrollment projections, the enrollee counts representing new enrollees in 2002 were reallocated to Priority Levels using the rates shown in the previous table.

The enrollment rates were calibrated to account for the short-term reclassification. This is accomplished by placing new enrollees into the Priority Level that they are expected to attain by

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the end of the fiscal year following the first twelve months of enrollment. Accordingly, the need for applying shock transitions to the new enrollees in each projection year is removed.

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Section II-6
Geographic Migration

In previous Enrollment Projections for ELDA, geographic relocation of enrolled veterans has not been reflected. For this projection effort, geographic migration was studied and a model was developed and implemented to reflect this migration. This section of the report discusses the study and its findings, and then describes the implementation of geographic migration in the enrollment projections.

Migration Study

In the US population, global migration tends to occur from the North and East to the South and West, with younger people generally more likely to migrate than older people. Veteran migration and enrolled veteran migration might be assumed to follow similar trends; however, the unique demographic characteristics of veterans suggest that a geographic migration model reflecting veteran migration patterns would be desirable. In general, the migration patterns observed in the enrolled veteran population, as a part of this study, follow the general population patterns described above.

The veteran population (VetPop) projections, produced by the VA OACT, and used to support the enrollment projections, model veteran migration from state to state. The actual migration assumptions used in VetPop were not made available for use in this study. It would also be difficult to attempt to mimic the state-to-state migration assumptions within the enrollment projections. The enrollment projections are enumerated projections, and are based on a finer level of geographic detail than state (as in VetPop), and therefore, enrollees migrating from Massachusetts to Florida (for example) would still need to be assigned to a sector within Florida.

It was also observed that emigration rates can vary substantially within a state. These variations have several causes, including: general migration from inner cities to suburbs; general migration from rural areas to urbanized areas; and veteran migration away from places of separation. Given these issues, it was neither feasible nor desirable to implement a state-to-state migration model for the enrollment projections.

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It was recognized, however, that there is potential for correlation between source location and destination location. As there are more than 500 sectors in the United States, a model fully reflecting these correlations would have more than 250,000 parameters. As there are only approximately 100,000 migrations observed each year, in total, in the data supporting this study, such a model would have been severely underspecified. Complex models could have been defined to partially reflect the correlation, but such models would not have been practical to develop or easy to understand. It was not clear that such models would have added significant value over a model that assumed independence of source location and destination location, and thus, the implemented model was composed of two independent models. The first model projects emigrants, based on the probability of an enrollee moving from their current location. The second model distributes migrating enrollees into destination locations.

The limitations of data available (100,000 migrations per year) restricted the ability to model variations in migration patterns other than by source and destination location. Varying migration assumptions by gender, Priority Level, and Enrollee Type were ruled out due to lack of credible data. Other possible variations such as education level and military rank were outside the capabilities of the existing modeling effort. However, variation in migration by grouped age was clearly indicated, and available in the data, and implemented within the capabilities of the existing model.

The chosen emigration model consisted of emigration probabilities for each of the 506 sectors in 3 age groups (Under Age 45, Ages 45-64 and Ages 65 and Over). The chosen immigration model consisted of distinct allocation tables for the same 3 age groups, allocating the migrating enrollees to the 506 sectors.

Model Development

For each of the 506 sectors, a migration table was developed for the 2000 to 2001 migration year. This table consists of the number of enrollees staying in the sector, the number emigrating from the sector and the number immigrating to the sector. Of the 506 sectors, 31 were considered too small for independent modeling. These were grouped with adjacent sectors for the development of migration factors. (These sectors are primarily adjacent to counties selected for the Zip Code analysis that would otherwise be grouped into a sector with those counties.)

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Also, the migration data for the Overseas area was considered inadequate for modeling. The resulting table consisted of migration data for 474 areas, referred to as sectors, for simplicity.

Emigration rates were computed using the formula:

$$\text{Emigration Rate} = \text{Emigrants} \div \text{Starting Population}$$

For sectors with fewer than 30 emigrants, the observed emigration rates were credibility adjusted to the observed market-level emigration rate, using $\sqrt{emigrants/30}$ as the credibility for the sector emigration rate. To reduce volatility, all emigration rates were capped at the highest observed market-level emigration rate within the age group. Emigration rates were then normalized to balance to the observed emigration rate for each age group.

The distribution of immigrants was determined by comparing the observed distribution of immigrants with the distribution of enrollment. The observed immigration "rate" for each sector was computed using the formula:

$$\text{Immigration Rate} = \frac{\text{Immigrants to Sector}}{\text{Total Immigrants}} \div \frac{\text{Enrollees in Sector}}{\text{Total Enrollees}}$$

For sectors with fewer than 30 immigrants, the observed immigration rates were credibility adjusted to the observed market-level immigration rate, using $\sqrt{immigrants/30}$ as the credibility for the sector immigration rate. To reduce volatility, all immigration rates were capped at the highest observed market-level immigration rate within the age group. Immigration rates were converted back to an immigration distribution at the full sector level using the formula

$$\text{Immigration Distribution} = \text{Immigration Rate} \times \frac{\text{Enrollees in Sector}}{\text{Total Enrollees}}$$

The immigration distributions were then renormalized to sum to 1.0.

Enrollees were only used for the study if they were enrolled and alive at the beginning and end of the 2000-2001 migration period. Enrollees with blank zip codes during that time period were removed from the study.

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The calculated emigration rates and immigration distributions were delivered in the SAS dataset "geo_migration.sas7bdat".

Data Manipulation

In support of this study, VHA OPP supplied an addendum to the Master Enrollment File containing ZIP Code of residence as of September 30 of years 1999 to 2002. This data provided 4 years of migration information. ZIP Code data was used in place of geo-coded FIPS data to maintain consistency among all years, as geo-coded FIPS data was not available for all years.

All ZIP codes were grouped into "Sectors" according to the county consolidation methodology. Because each Sector is defined to cover a relatively large population, a simple mapping from ZIP code to county, provided by VA, was used.

Analysis of FY 2000 to FY 2001 and FY 2001 to FY 2002 migration identified approximately 70,000 "bounce back" migrations (same location in FY 2000 and FY 2002, different location in FY 2001). "Bounce backs" are differentiated from "zig zags." "Zig zags" have the same location in FY 1999 and FY 2001 and the same location in FY 2000 and FY 2002, but two different locations. "Zig zags" appear to be primarily data problems, rather than true migrations, and were eliminated from the analysis. For "bounce backs," the 2001 location was changed to match the FY 2000/FY 2002 location. A smaller number of "bounce backs" identified in the FY 1999 to FY 2001 data (same location in FY 1999 and FY 2001, different location in FY 2000) were also changed. Given that the purpose of the Geographic Migration analysis is to project long-term enrollment by location, these "bounce back" migrations do not contribute to long-term changes. Instead, they represent statistical "noise" in the data. That is, they contribute two migrations in subsequent years with no net impact.

The FY 2000-2001 migration period was chosen rather than FY 1999-2000 or FY 2001-2002 primarily because of data quality concerns. The migration rates shown in the FY 1999-2000 data were much lower than either of the other two. The FY 2001-2002 migration data was eliminated because it is not yet possible to adjust the FY 2001-2002 data for "bounce back" migrations.

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Implementation of Geographic Migration

As described in section II-3, geographic migration was modeled at the beginning of each year to reflect all anticipated migrations during that year. For each cell, total emigrants were calculated, using:

Emigrants = Emigration Rate × Enrollment
Non-migrants = Enrollment – Emigrants

Emigrants from all sectors were aggregated by age, gender, Priority Level, and Enrollee Type. Immigration to each Sector was calculated using:

Immigration to Sector N = Total Immigrants × Immigration Distribution to Sector N

Immigrants were combined with non-migrants to compute total migrated enrollment:

Migrated Enrollment = Non-Migrants + Immigrants

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Section II-7
Enrollment Rates

The enrollment rate is the proportion of non-enrolled veterans who are expected to enroll in any particular month. In the enrollment projection methodology:

$$\text{New Enrollment} = (\text{Veteran Population} - \text{Enrollment}) \times \text{Enrollment Rate}$$

The empirical historical enrollment rates used to estimate future new enrollment were calculated using this formula:

$$\text{Enrollment Rate} = \text{New Enrollment} \div (\text{Veteran Population} - \text{Enrollment})$$

The components of this formula, New Enrollment, Enrollment and Veteran Population, were derived from the Master Enrollment File and the VetPop Proxy. From the Master Enrollment file, total enrollment, as of the beginning of each month, was counted and summarized by Sector, Age Group and Priority Level. Likewise, New Enrollment from the Master Enrollment file was counted for each month and summarized the same way. Veteran Population was calculated from an historical VetPop Proxy, developed using the same data sources and techniques as the projected VetPop Proxy described in Section II-2. The consecutive end-of-year VetPop proxies were exponentially interpolated to obtain beginning of month veteran population for each month of the study.

An extensive study of 48 months of enrollment history was performed. The analysis and results of that study are published separately (Appendix C). As a result of this study, it was determined that enrollment rates would be computed as an average of the monthly enrollment rate during the 17 months from April 2000 to August 2001.

Sets of raw enrollment rates were calculated for each Priority Level (1, 2, 3, 4, 5, 6, 7a and 7c- due to lack of historical data, Priority Levels 8a and 8cs' enrollment rates mimic those of Priority Levels 7a and 7c) and Age Group (Under Age 45, Ages 45 to 64, and Ages 65 and Over). Five sets of raw enrollment rates were computed at varying levels of geographic detail:

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- Sector
- Submarket
- Market
- VISN
- National

The final set of enrollment rates for each Sector was a credibility-blended average of the enrollment rates for the varying levels of geographic detail. For each Priority Level and Age Group, the final enrollment rate for a Sector was equal to:

Raw Sector Rate × Sector Credibility
+ Raw Submarket Rate × (Submarket Credibility – Sector Credibility)
+ Raw Market Rate × (Market Credibility – Submarket Credibility)
+ Raw VISN Rate × (VISN Credibility – Market Credibility)
+ Raw National Rate × (1 – VISN Credibility).

The level of credibility determined by the data for a particular area is based on the number of new enrollees and the size of the pool in that county over the seventeen-month period. The fewer enrollees in a particular county, the less credible the rates derived from this enrollment data. Additional credibility is assigned to rates derived from large veteran pools, in order to avoid creating a bias against small enrollment rates. The resulting enrollment rates were delivered in a SAS dataset, "enrollment_rates.sas7bdat".

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Section II-8
Mortality Rates

Background

Enrollee mortality rates were initially set in July 2000. The purpose of this study was to update the enrollee mortality rates using more recent mortality experience.

After completion of the study a comparison of the new enrollee mortality rates to VetPop mortality rates revealed significantly lower mortality levels for enrolled veterans. This was contrary to expectations, and the level of difference was considered improbable. After further discussion with the VA OACT, it was concluded that the deaths as recorded in the Master Enrollment File and provided for the enrollee mortality study were incomplete, leading to the relatively lower mortality rates. As a result, significant portions of the study were not used. The section at the end of this report outlines the final mortality assumptions used for the FY04 ELDA.

Data and Calculation of Actual Mortality Rates

Enrollee eligibility and death counts were compiled for FY 1999- FY 2002. Data was taken from the Master Enrollment file, which in turn used information from the BIRLS and HEC databases to populate mortality information. The population was divided by gender, Priority Level, and Enrollee Type. Monthly mortality rates during the study period were calculated by age, based on nearest age during the middle of the fiscal year. For purposes of these calculations:

- All enrollments were assumed to occur at the beginning of each month.
- All deaths were assumed to occur at the end of each month.
- Priority Level was assigned based upon the Priority Level at the end of the applicable fiscal year (or at death for those that died). No data was available for Priority Level 8, since Priority Level 8 was established in FY 2003 and actual enrollment data was provided through FY 2002. Mortality results for Priority Level 7a and Priority Level 7c were also applied to Priority Level 8a and Priority Level 8c, respectively.

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- Enrollees were considered to be "Pre" enrollees if they were users prior to October 1, 1998 and enrolled prior to April 1, 1999. All other enrollees were aggregated together as "Post" enrollees.

The above assumptions are consistent with the implementation of the mortality rates in the enrollment projection model.

Data Consistency Review

Data was reviewed by dividing the experience into the four fiscal years and comparing mortality levels across 10-year age bands. Based on this analysis, it was observed that the mortality levels for the 2001 fiscal year were below expected. A further analysis showed that mortality rates were significantly below expected for the entire month of April 2001; deaths for Priority Levels 1 through 4 were more than 70% below the second lowest month during the study period. Exhibit II-8-1 shows a comparison of relative mortality experience. For each experience month and Priority Level, the exhibit shows the number of deaths, the number of exposed lives, and the monthly mortality rate per 100,000 lives (equal to deaths multiplied by 100,000 divided by the number of exposures). Finally, Exhibit II-8-1 contains a relative mortality rate, which is equal to the mortality rate for a given experience month and Priority Level divided by the average mortality rate for all experience months for that Priority Level.

It was concluded that this below expected mortality for April 2001 was likely due to the removal of all records for many enrollees who died during that month. As a result, April 2001 experience was removed from the analysis. No adjustment was made for the additional survivorship in previous months; the impact would have been minimal. The remaining 47 months of experience were aggregated based on the number of exposures in each month.

Analysis of mortality rates by age also showed unexpectedly low mortality rates for those over age 98. It was hypothesized that these low mortality rates were likely due to data errors and therefore experience for those over age 98 was not considered. Finally, all records for those under age 19 were removed on the assumption that these were likely data errors. Exposures for those under age 19 and over age 98 accounted for less than 0.1% of the total.

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The data provided was not sufficient to divide experience into officers and enlisted men. Therefore, all mortality rates are calculated for those groups in aggregate.

Comparison of Actual Experience with Standard Tables

Actual mortality rates were compared to comparable rates in the following commonly used mortality tables:

- Current enrollment model mortality table. The 1969-71 U.S. Life Principal Mortality tables, blended for 70% white and 30% non-white.
- Veteran population projection mortality rates. These rates are produced by the DoD Office of the Actuary and vary according to four separate status codes. Note that the DoD rates are produced separately for officers and enlisted men. For purposes of these comparisons, the VetPop ratio of officers to enlisted men by age and gender was used to blend the two tables into a single combined table. The original VetPop mortality tables are shown in Exhibit II-8-2.
- Annuity-based mortality tables. 1983 Group Annuity Mortality (GAM 83) and RP-2000.
- Disabled annuity mortality tables. 1965 Railroad Disabled Mortality.
- Life insurance mortality tables. Commissioner's 1980 Standard Ordinary (1980 CSO) and 1990-95 Society of Actuaries (SOA) tables.
- Population mortality tables. 1991 U.S table.

In the comparison of actual mortality experience with modeled rates, monthly mortality rates from the standard tables are adjusted by a factor (varying by Priority Level and Enrollee Type) so that the actual number of deaths in each category is equal to the expected number of deaths. Adjustments did not vary by gender due to the relative lack of credibility in female data and the need to ensure consistency between male and female mortality rates.

Once mortality tables were fitted, the "fit statistic" was calculated for each combination of mortality table and Priority Level. This value is a quotient, the numerator of which is equal to the sum of the absolute difference between the actual number of deaths and modeled number of deaths for each age, gender and Enrollee Type. The denominator is equal to the actual number of deaths during the exposure period. The result is then subtracted from one so that a higher

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factor implies a better fit, and a factor of 1.0 implies that the modeled table exactly fits actual experience.

Exhibit II-8-3 contains a sample calculation of the fit statistic for a theoretical population with only four ages. Exhibit II-8-4 shows a complete summary of the fit and adjustment factors for each combination of Priority Level and mortality table. Exhibit II-8-5 shows graphical comparisons of actual and modeled experience by Priority Level, gender and Enrollee Type. The final tables, both numerically and graphically, are shown in Exhibit II-8-6.

Selection of Modeled Tables

Tables were selected based upon three factors:

- Fit factor. Higher factors were preferable to lower factors.
- Adjustment factor used to multiply modeled table. Factors close to 1.0 were preferred.
- Theoretical, mortality tables were used that demonstrated similarities of the modeled population. For example, disabled population mortality tables were not used to model mortality for non-disabled veterans.

Priority Level 1: Priority Level 1 mortality rates were relatively similar to VetPop Disability Status 2 mortality, in aggregate, although mortality was understated at younger ages. Therefore, Priority Level 1 was modeled using a non-linear adjustment of the VetPop Status 2 table. The non-linear adjustment doubled mortality rates at age 19, with the adjustment reducing linearly to 75% of the VetPop table at age 84 and beyond. The resulting table was then linearly scaled to equate actual and modeled deaths.

Priority Levels 2 and 3: Priority Level 2 and Priority Level 3 were modeled using the VetPop Disability Status 2 mortality table, linearly adjusted to equate actual and modeled deaths. In both cases the table provided a good fit.

Priority Level 4: None of the existing tables provided a satisfactory fit for Priority Level 4, even after linear adjustments. This was not unexpected due to the relatively severe nature of the disabilities for this group. Therefore, Priority Level 4 was modeled using a non-linear adjustment of the VetPop Disability Status 4 mortality table. The non-linear adjustment used

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20% of the basic table up to and including age 35, increasing linearly to 120% at age 65, then decreasing linearly to 80% at age 100. The resulting table was then linearly scaled to equate actual and modeled deaths.

Priority Level 5: Priority Level 5 also did not fit well with any of the existing tables. This too was somewhat expected, since most standard mortality tables tend to consider those who can afford either life insurance or annuity purchases. Given the high number of exposures, it was determined that a credible mortality table could be constructed from this experience. A separate section is included later in this report with details on the development of this "P5" mortality table.

Priority Level 6: Priority Level 6 was modeled using the VetPop Disability Status 1 mortality table, linearly adjusted to equate actual and modeled deaths. Note that the fit for this table was relatively poor, and that the absolute level of mortality for pre-enrollees was high relative to the other Priority Levels. This is likely due to the relatively higher percentage of Vietnam veterans in this Priority Level. Due to the relatively small number of exposures in this group, no special adjustments were made at this time. It is expected that adjustments to account for the period of service study would rectify these abnormalities. However, this portion of the study could not be completed at this time due to difficulties obtaining accurate period of service data.

Priority Levels 7a through 8c: Priority Levels 7a and 7c were modeled using the VetPop Disability Status 1 mortality table, linearly adjusted to equate actual and modeled deaths. The fit for Priority Level 7a was slightly low at 85%, but was reasonable given the limited number of exposures (under 1 million month-lives per year), and given that the mortality rates were reasonable in comparison with Priority Level 7c mortality. The resulting rates for Priority Levels 7a and 7c were also applied to Priority Levels 8a and 8c mortality.

For all tables, mortality was blended with the unadjusted VetPop tables for ages 90 and above so that mortality at age 100 was equal to the VetPop tables for all Priority Levels.

It should be noted that the actual experience for the population aged 45-60 was worse than the comparison mortality tables in many cases. It is hypothesized that this surge in mortality is attributable to Vietnam veterans, and that these veterans will continue to show higher mortality rates into the future. Consequently, the mortality rates for future generations of veterans

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reaching ages 45-60 are not expected to be as high as for the current enrollee groups in that age range. As mentioned above, this issue could not be accounted for in the current study, since period of service data provided appeared to not be credible.

Creation of "P5" Mortality Table

As mentioned previously, the Priority Level 5 population is different from that studied in most standard mortality tables because of the high levels of poverty. It has been documented that poverty affects mortality rates, and therefore it was not surprising that the Priority Level 5 mortality rates were not well fit by any of the existing mortality tables. This lack of fit, combined with the relatively high number of exposures in this Priority Level, suggested that a custom mortality table could be made to model Priority Level 5 mortality. The steps used in producing the table were as follows:

1. Actual experience was compiled by age, Enrollee Type and gender.
2. The ratio of female-to-male mortality rates was obtained by age from the VetPop Status 1 mortality table.
3. The post-enrollee to pre-enrollee mortality ratio (a single ratio applied to all ages) was calculated based on actual experience
4. Experience was combined by gender and Enrollee Type, using the ratios above, to determine adjusted male, pre-enrollee mortality experience.
5. The combined experience was smoothed using a five-year weighted average of raw mortality rates. Weightings were 40% for the modeled age, x, 20% for each of ages x-1 and x+1 and 10% for each of ages x-2 and x+2.
6. Manual adjustments were made to smooth the resulting table. Rates were adjusted so that first and second differences of mortality rates by age were positive after age 25, and so that overall rates were visually smooth.
7. Female and post-enrollee rates were determined by multiplying the resulting table by the factors calculated at the beginning of the process.
8. A final, minor adjustment was made to equate actual-to-expected deaths by Enrollee Type.

Exhibit II-8-7 compares the final modeled mortality for Priority Level 5 enrollees with actual experience. The same numbers are shown graphically in Exhibit II-8-5.

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Mortality Rates by VISN

Final mortality rates were applied to the eligible population in each VISN and compared to actual death rates for each combination of VISN and Priority Level. Additionally, age banded mortality rates by state were obtained from the Centers for Disease Control and Prevention (CDC).

After examining the mortality rates by VISN and for the states within each VISN, the VISNs were grouped based on geographic proximity, similarity in enrollee mortality rates by VISN and similarity in mortality rates (by state) provided by CDC. The resulting regions are as follows:

- Region A: VISN 6, 7, 9, 16
- Region B: VISN 4, 5, 10, 11, 15
- Region C: VISN 12, 23, 17, 18, 19, 20
- Region D: VISN 1, 2, 3, 8
- Region E: VISN 21, 22

To further increase the credibility of observed regional mortality rates, Priority Levels were combined into two groups: Priority Levels 1 through 4 and Priority Levels 5 through 7.

The ratio of actual deaths to modeled deaths was calculated for each of the 10 resulting cells (5 regions, 2 Priority Level groups within each region). The final factors are presented below:

	Region A	Region B	Region C	Region D	Region E
P1 – P4	1.093	1.072	0.984	0.908	.0874
P5 – P7	1.125	1.078	1.051	0.849	.0798

The factors are used as an additional adjustment to monthly mortality rates. For example, a Priority Level 1 enrollee in region A will have a monthly mortality rate equal to 1.093 times the rate indicated in Exhibit II-8-6 (by age, gender, Enrollee Type and Priority Level).

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Mortality Improvement Rates

Future mortality improvements for "healthy veterans" were provided by the VA Office of the Actuary. Rates were reviewed for reasonableness and compared to mortality projections under other mortality tables. Based upon the analysis, the OACT's mortality improvement rates were incorporated into the VA Enrollee Health Care Projection Model without adjustments for Priority Levels 5, 6, 7 and 8, using the 2002 rate to trend rates forward to the 2003 fiscal year.

Application of Mortality Study

As mentioned in the beginning of this section, significant portions of this study became unusable after it was determined that the deaths used to determine mortality rates were incomplete. The following describes the derivation of the mortality rates used in the FY04 ELDA Final Model Run.

Because the data from the mortality study was found to be incomplete, the absolute level of mortality from the study was questionable. However, it was hypothesized that the data inaccuracies were similar among Priority Levels 1, 2, and 3 and therefore, that the relative levels of mortality were accurate. Therefore, mortality rates used in the FY04 ELDA Final Model Run for Priority Levels 1, 2 and 3 were based on the rates from this mortality study, but increased so that aggregate mortality was equal to the mortality for VetPop Status 2 veterans.

Mortality for Priority Level 4 was set equal to VetPop Status 3 mortality, with no adjustments.

The study Mortality, Education, Income and Inequality among American Cohorts, by Angus Deaton and Christina Paxson concluded that Americans with lower family incomes (below $5,000 per year in 1980) "could expect to live about 25 percent fewer years than people whose family income was greater than $50,000." Other published studies have also concluded that there is a positive correlation between lifespan and income in developed countries.

Based on the above studies, it was deemed necessary to establish higher mortality rates for Priority Level 5 enrollees relative to Priority Levels 6 and 7. Based on the Society of Actuaries (SOA) 1990-95 mortality table, a tripling of mortality rates caused a 17% decrease in life expectancy, and a 21% decrease in remaining life expectancy at age 18. While these amounts

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were both below the 25% result from the published study, the relative differences in income between Priority Level 5 and Priority Level 7 enrollees is less extreme than that presented in the study.

As a result of the above calculations, a conservative estimate was made whereby Priority Level 5 mortality rates were set equal to double Priority Level 7 mortality rates. The absolute level of Priority Level 5 and Priority Level 7 mortality rates were solved for algebraically by setting the expected aggregate Priority Level 5 and Priority Level 7 mortality equal to VetPop Status 1 mortality at each age using the relative number of enrollee exposures at each age. Actual enrollee mortality rates were not used to set this assumption. For Priority Level 7, it was assumed that there is no income difference between Priority Levels 7a and 7c, since scant data regarding relative income levels is available. Therefore, the same mortality rates for both Priority Levels 7a and 7c were used. Because of the limitations of the manner in which the Priority Level 7/8 split is estimated, it was not possible to use distinct mortality rates for Priority Levels 7 and 8.

Mortality rates for Priority Level 6 veterans were set equal to VetPop Status 1 rates for all ages with no adjustments.

Geographic differences in mortality rates were not applied in the final enrollment model. The application of these rates would have caused inconsistencies with the projected overall veteran population, since that projection did not vary mortality rates geographically.

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Exhibit II-8-1

Summary of Monthly Mortality Rates by Priority
From the VA Master Enrollment File

Number of Deaths

	Priority							
Month	**1**	**2**	**3**	**4**	**5**	**6**	**7a**	**7c**
Oct-98	1,414	574	1,084	1,533	4,102	134	55	747
Nov-98	1,399	641	1,100	1,522	4,042	122	62	818
Dec-98	1,473	645	1,083	1,623	4,382	109	61	879
Jan-99	1,623	743	1,279	1,763	4,860	107	73	982
Feb-99	1,544	640	1,150	1,747	4,164	102	57	946
Mar-99	1,627	718	1,204	1,778	4,641	106	90	989
Apr-99	1,428	691	1,117	1,639	4,002	74	85	933
May-99	1,345	652	1,146	1,502	4,190	87	84	944
Jun-99	1,338	630	995	1,347	3,746	58	69	847
Jul-99	1,364	716	1,093	1,375	4,028	73	88	952
Aug-99	1,340	641	1,044	1,274	4,132	74	64	941
Sep-99	1,248	594	969	1,100	3,673	59	78	835
Oct-99	1,396	678	1,160	1,626	4,353	145	100	1,226
Nov-99	1,393	698	1,124	1,592	4,256	133	115	1,200
Dec-99	1,600	729	1,263	1,829	4,911	143	101	1,353
Jan-00	1,837	867	1,467	2,075	5,524	148	126	1,536
Feb-00	1,452	694	1,140	1,854	4,324	119	105	1,379
Mar-00	1,365	680	1,098	1,722	4,384	108	100	1,316
Apr-00	1,437	641	1,164	1,686	4,273	95	108	1,300
May-00	1,298	673	1,166	1,667	4,203	108	80	1,406
Jun-00	1,252	598	999	1,431	3,941	83	101	1,334
Jul-00	1,365	719	1,095	1,594	4,039	94	103	1,402
Aug-00	1,174	664	1,133	1,501	3,901	82	82	1,359
Sep-00	1,016	576	962	1,306	3,415	72	90	1,206
Oct-00	1,623	784	1,390	2,105	4,680	81	102	1,837
Nov-00	1,580	777	1,281	1,915	4,855	91	113	1,874
Dec-00	1,656	808	1,436	2,030	5,095	85	131	2,017
Jan-01	1,781	878	1,546	2,184	5,395	91	121	2,114
Feb-01	1,544	777	1,314	1,837	4,422	84	117	1,744
Mar-01	1,667	719	1,340	1,639	3,963	74	112	1,692
Apr-01	138	100	366	433	2,352	49	81	1,235
May-01	1,496	633	1,149	1,505	3,604	60	94	1,553
Jun-01	1,412	625	1,186	1,499	3,557	92	99	1,597
Jul-01	1,474	639	1,098	1,415	3,408	77	101	1,542
Aug-01	1,355	565	1,075	1,306	3,286	57	80	1,393
Sep-01	1,401	600	1,133	1,324	3,603	73	92	1,717
Oct-01	1,593	722	1,384	1,566	3,945	93	94	1,988
Nov-01	1,508	722	1,316	1,543	3,951	90	108	2,045
Dec-01	1,685	766	1,434	1,656	4,219	94	81	2,194
Jan-02	1,837	822	1,654	1,874	4,711	100	119	2,408
Feb-02	1,704	844	1,491	1,713	4,548	103	108	2,357
Mar-02	2,052	929	1,774	2,039	5,521	112	112	2,778
Apr-02	1,868	833	1,629	1,822	5,838	127	103	2,936
May-02	1,957	920	1,693	1,958	5,872	109	115	3,100
Jun-02	1,757	837	1,563	1,815	5,430	118	110	2,814
Jul-02	1,907	874	1,637	1,860	5,399	93	101	2,796
Aug-02	1,824	840	1,549	1,780	5,112	106	98	2,666
Sep-02	1,708	714	1,403	1,528	4,172	68	91	2,210

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Exhibit II-8-1 (cont.)

Summary of Monthly Mortality Rates by Priority
From the VA Master Enrollment File

Number of Exposures

	Priority							
Month	**1**	**2**	**3**	**4**	**5**	**6**	**7a**	**7c**
Oct-98	383,517	229,251	405,606	114,721	1,203,157	38,559	40,400	453,990
Nov-98	404,622	246,316	433,549	121,615	1,308,699	43,035	44,080	507,585
Dec-98	415,743	256,628	450,182	124,995	1,372,249	46,376	46,595	537,690
Jan-99	422,495	263,921	462,275	126,842	1,419,407	48,934	48,406	561,853
Feb-99	427,100	269,553	472,235	127,808	1,458,216	51,142	50,025	585,592
Mar-99	432,019	276,233	485,026	129,174	1,504,381	53,653	52,324	620,845
Apr-99	434,747	280,664	493,427	129,498	1,534,320	55,466	53,637	643,577
May-99	436,923	284,494	500,759	129,685	1,566,610	56,989	54,733	663,396
Jun-99	439,132	288,250	508,245	130,001	1,592,262	58,528	55,738	684,022
Jul-99	440,833	291,701	515,555	130,291	1,616,793	60,020	56,630	703,590
Aug-99	442,411	294,868	522,471	130,509	1,642,617	61,719	57,516	726,630
Sep-99	443,631	297,521	528,340	130,631	1,664,440	63,003	58,402	746,614
Oct-99	467,241	305,159	535,657	154,918	1,647,667	69,233	63,514	799,395
Nov-99	468,945	308,148	541,968	154,947	1,668,394	70,239	64,361	820,708
Dec-99	470,332	310,640	547,466	154,832	1,687,210	71,195	65,039	839,621
Jan-00	473,428	317,002	567,844	155,462	1,710,497	77,108	65,773	860,472
Feb-00	474,632	319,818	575,291	155,158	1,731,967	80,282	66,587	884,230
Mar-00	478,048	326,841	597,578	155,594	1,757,906	83,739	67,762	914,064
Apr-00	479,633	329,694	605,581	155,310	1,776,566	85,044	68,464	937,981
May-00	481,065	332,724	612,449	155,284	1,796,664	86,223	69,256	963,457
Jun-00	482,489	335,382	618,940	155,189	1,816,855	87,335	70,036	989,522
Jul-00	483,914	338,387	626,526	155,257	1,835,980	88,998	70,670	1,013,543
Aug-00	485,571	341,807	634,633	155,299	1,859,600	90,495	71,561	1,045,326
Sep-00	487,089	344,736	641,715	155,132	1,880,134	91,708	72,392	1,073,899
Oct-00	537,450	361,329	693,185	184,077	1,908,441	94,400	74,188	1,218,891
Nov-00	539,584	364,988	701,938	183,530	1,929,712	95,603	75,045	1,254,448
Dec-00	540,497	367,226	707,746	182,941	1,946,234	96,592	75,535	1,280,408
Jan-01	541,990	370,044	714,876	182,577	1,970,666	98,024	76,179	1,310,428
Feb-01	543,083	372,513	721,035	181,992	1,992,272	99,386	76,750	1,339,237
Mar-01	544,736	375,672	729,061	182,211	2,017,812	101,207	77,721	1,377,064
Apr-01	545,891	378,522	737,943	182,313	2,040,331	103,204	78,607	1,410,525
May-01	548,684	382,066	745,507	183,630	2,063,324	104,501	79,357	1,443,841
Jun-01	549,895	384,870	751,974	183,650	2,083,690	105,751	80,046	1,477,952
Jul-01	551,423	387,703	759,092	183,497	2,103,701	107,610	80,705	1,511,242
Aug-01	553,170	391,497	766,217	183,565	2,126,156	109,096	81,422	1,548,477
Sep-01	556,865	397,654	779,076	184,961	2,182,050	111,650	83,446	1,636,503
Oct-01	617,051	409,441	791,679	206,743	2,150,301	112,448	64,935	1,703,934
Nov-01	618,291	411,757	799,191	206,408	2,171,488	114,881	66,051	1,739,619
Dec-01	621,622	418,122	813,989	207,878	2,191,257	116,023	66,563	1,766,750
Jan-02	621,590	419,081	816,357	207,052	2,205,630	116,646	67,030	1,788,465
Feb-02	621,415	420,033	818,764	205,916	2,219,272	117,275	67,395	1,811,825
Mar-02	621,528	421,244	822,152	204,996	2,235,133	118,079	67,838	1,839,276
Apr-02	621,318	422,376	825,622	203,783	2,251,292	118,930	68,277	1,868,405
May-02	621,366	423,766	829,459	202,840	2,268,364	119,808	68,756	1,899,708
Jun-02	621,196	424,895	833,230	201,687	2,285,578	120,744	69,319	1,933,309
Jul-02	621,200	426,299	837,977	200,680	2,306,048	121,999	69,915	1,972,551
Aug-02	620,912	427,558	842,860	199,499	2,329,316	123,342	70,654	2,017,647
Sep-02	620,868	428,752	847,141	198,411	2,350,522	124,524	71,399	2,058,287

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Exhibit II-8-1 (cont.)

Summary of Monthly Mortality Rates by Priority
From the VA Master Enrollment File

Mortality Rate (Deaths Per 100,000)

	Priority							
Month	**1**	**2**	**3**	**4**	**5**	**6**	**7a**	**7c**
Oct-98	369	250	267	1,336	341	348	136	165
Nov-98	346	260	254	1,251	309	283	141	161
Dec-98	354	251	241	1,298	319	235	131	163
Jan-99	384	282	277	1,390	342	219	151	175
Feb-99	362	237	244	1,367	286	199	114	162
Mar-99	377	260	248	1,376	308	198	172	159
Apr-99	328	246	226	1,266	261	133	158	145
May-99	308	229	229	1,158	267	153	153	142
Jun-99	305	219	196	1,036	235	99	124	124
Jul-99	309	245	212	1,055	249	122	155	135
Aug-99	303	217	200	976	252	120	111	130
Sep-99	281	200	183	842	221	94	134	112
Oct-99	299	222	217	1,050	264	209	157	153
Nov-99	297	227	207	1,027	255	189	179	146
Dec-99	340	235	231	1,181	291	201	155	161
Jan-00	388	273	258	1,335	323	192	192	179
Feb-00	306	217	198	1,195	250	148	158	156
Mar-00	286	208	184	1,107	249	129	148	144
Apr-00	300	194	192	1,086	241	112	158	139
May-00	270	202	190	1,074	234	125	116	146
Jun-00	259	178	161	922	217	95	144	135
Jul-00	282	212	175	1,027	220	106	146	138
Aug-00	242	194	179	967	210	91	115	130
Sep-00	209	167	150	842	182	79	124	112
Oct-00	302	217	201	1,144	245	86	137	151
Nov-00	293	213	182	1,043	252	95	151	149
Dec-00	306	220	203	1,110	262	88	173	158
Jan-01	329	237	216	1,196	274	93	159	161
Feb-01	284	209	182	1,009	222	85	152	130
Mar-01	306	191	184	900	196	73	144	123
Apr-01	25	26	50	238	115	47	103	88
May-01	273	166	154	820	175	57	118	108
Jun-01	257	162	158	816	171	87	124	108
Jul-01	267	165	145	771	162	72	125	102
Aug-01	245	144	140	711	155	52	98	90
Sep-01	252	151	145	716	165	65	110	105
Oct-01	258	176	175	757	183	83	145	117
Nov-01	244	175	165	748	182	78	164	118
Dec-01	271	183	176	797	193	81	122	124
Jan-02	296	196	203	905	214	86	178	135
Feb-02	274	201	182	832	205	88	160	130
Mar-02	330	221	216	995	247	95	165	151
Apr-02	301	197	197	894	259	107	151	157
May-02	315	217	204	965	259	91	167	163
Jun-02	283	197	188	900	238	98	159	146
Jul-02	307	205	195	927	234	76	144	142
Aug-02	294	196	184	892	219	86	139	132
Sep-02	275	167	166	770	177	55	127	107

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Exhibit II-8-1 (cont.)

Summary of Monthly Mortality Rates by Priority
From the VA Master Enrollment File

Relative Mortality Rate

	Priority							
Month	**1**	**2**	**3**	**4**	**5**	**6**	**7a**	**7c**
Oct-98	1.27	1.24	1.41	1.37	1.48	3.25	0.95	1.23
Nov-98	1.19	1.29	1.34	1.28	1.34	2.65	0.98	1.20
Dec-98	1.22	1.25	1.27	1.33	1.38	2.20	0.92	1.22
Jan-99	1.32	1.40	1.46	1.42	1.48	2.05	1.06	1.30
Feb-99	1.24	1.18	1.28	1.40	1.24	1.87	0.80	1.21
Mar-99	1.30	1.29	1.31	1.41	1.34	1.85	1.20	1.19
Apr-99	1.13	1.22	1.19	1.30	1.13	1.25	1.11	1.08
May-99	1.06	1.14	1.21	1.19	1.16	1.43	1.07	1.06
Jun-99	1.05	1.08	1.03	1.06	1.02	0.93	0.87	0.92
Jul-99	1.06	1.22	1.12	1.08	1.08	1.14	1.09	1.01
Aug-99	1.04	1.08	1.05	1.00	1.09	1.12	0.78	0.97
Sep-99	0.97	0.99	0.97	0.86	0.96	0.88	0.93	0.83
Oct-99	1.03	1.10	1.14	1.07	1.15	1.96	1.10	1.14
Nov-99	1.02	1.12	1.09	1.05	1.11	1.77	1.25	1.09
Dec-99	1.17	1.16	1.22	1.21	1.26	1.88	1.09	1.20
Jan-00	1.33	1.36	1.36	1.37	1.40	1.80	1.34	1.33
Feb-00	1.05	1.08	1.04	1.22	1.08	1.39	1.10	1.16
Mar-00	0.98	1.03	0.97	1.13	1.08	1.21	1.03	1.07
Apr-00	1.03	0.96	1.01	1.11	1.04	1.05	1.10	1.03
May-00	0.93	1.00	1.00	1.10	1.01	1.17	0.81	1.09
Jun-00	0.89	0.88	0.85	0.94	0.94	0.89	1.01	1.01
Jul-00	0.97	1.05	0.92	1.05	0.95	0.99	1.02	1.03
Aug-00	0.83	0.96	0.94	0.99	0.91	0.85	0.80	0.97
Sep-00	0.72	0.83	0.79	0.86	0.79	0.73	0.87	0.84
Oct-00	1.04	1.08	1.06	1.17	1.06	0.80	0.96	1.12
Nov-00	1.01	1.06	0.96	1.07	1.09	0.89	1.05	1.11
Dec-00	1.05	1.09	1.07	1.14	1.14	0.82	1.21	1.18
Jan-01	1.13	1.18	1.14	1.23	1.19	0.87	1.11	1.20
Feb-01	0.98	1.03	0.96	1.03	0.96	0.79	1.07	0.97
Mar-01	1.05	0.95	0.97	0.92	0.85	0.68	1.01	0.92
Apr-01	0.09	0.13	0.26	0.24	0.50	0.44	0.72	0.65
May-01	0.94	0.82	0.81	0.84	0.76	0.54	0.83	0.80
Jun-01	0.88	0.81	0.83	0.84	0.74	0.81	0.87	0.81
Jul-01	0.92	0.82	0.76	0.79	0.70	0.67	0.88	0.76
Aug-01	0.84	0.72	0.74	0.73	0.67	0.49	0.69	0.67
Sep-01	0.87	0.75	0.77	0.73	0.72	0.61	0.77	0.78
Oct-01	0.89	0.87	0.92	0.78	0.80	0.77	1.01	0.87
Nov-01	0.84	0.87	0.87	0.77	0.79	0.73	1.14	0.88
Dec-01	0.93	0.91	0.93	0.82	0.83	0.76	0.85	0.93
Jan-02	1.02	0.97	1.07	0.93	0.93	0.80	1.24	1.00
Feb-02	0.94	1.00	0.96	0.85	0.89	0.82	1.12	0.97
Mar-02	1.14	1.09	1.14	1.02	1.07	0.89	1.16	1.13
Apr-02	1.03	0.98	1.04	0.92	1.12	1.00	1.06	1.17
May-02	1.08	1.08	1.08	0.99	1.12	0.85	1.17	1.22
Jun-02	0.97	0.98	0.99	0.92	1.03	0.91	1.11	1.09
Jul-02	1.06	1.02	1.03	0.95	1.02	0.71	1.01	1.06
Aug-02	1.01	0.97	0.97	0.91	0.95	0.80	0.97	0.99
Sep-02	0.95	0.83	0.87	0.79	0.77	0.51	0.89	0.80

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Exhibit II-8-2
VA Office of the Actuary VetPop Mortality Rates (Annual) - Officers

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
16	0.001197	0.000337	0.005000	0.002000	0.005000	0.002000	0.005000	0.002000	0.025000	0.012500	0.025000	0.012500
17	0.001197	0.000337	0.005000	0.002000	0.005000	0.002000	0.005000	0.002000	0.025000	0.012500	0.025000	0.012500
18	0.001244	0.000261	0.005000	0.002000	0.005000	0.002000	0.005000	0.002000	0.025000	0.012500	0.025000	0.012500
19	0.001337	0.000256	0.004720	0.001440	0.004720	0.001440	0.004720	0.001440	0.025000	0.013080	0.025000	0.013080
20	0.001426	0.000247	0.004480	0.001030	0.004480	0.001030	0.004480	0.001030	0.025000	0.013690	0.025000	0.013690
21	0.001500	0.000236	0.004210	0.000740	0.004210	0.000740	0.004210	0.000740	0.025000	0.014330	0.025000	0.014330
22	0.001573	0.000230	0.003970	0.000530	0.003970	0.000530	0.003970	0.000530	0.025000	0.015000	0.025000	0.015000
23	0.001655	0.000232	0.003430	0.000590	0.003430	0.000590	0.003430	0.000590	0.027410	0.016270	0.027410	0.016270
24	0.001714	0.000237	0.002960	0.000650	0.002960	0.000650	0.002960	0.000650	0.030050	0.017640	0.030050	0.017640
25	0.001775	0.000245	0.002560	0.000720	0.002560	0.000720	0.002560	0.000720	0.032940	0.019130	0.032940	0.019130
26	0.001820	0.000346	0.002210	0.000790	0.002210	0.000790	0.002210	0.000790	0.036110	0.020750	0.036110	0.020750
27	0.001906	0.000413	0.001910	0.000880	0.001910	0.000880	0.001910	0.000880	0.039590	0.022500	0.039590	0.022500
28	0.002071	0.000449	0.002080	0.000950	0.002080	0.000950	0.002080	0.000950	0.041160	0.022500	0.041160	0.022500
29	0.002245	0.000437	0.002260	0.001030	0.002260	0.001030	0.002260	0.001030	0.042800	0.022500	0.042800	0.022500
30	0.002425	0.000403	0.002460	0.001110	0.002460	0.001110	0.002460	0.001110	0.044510	0.022500	0.044510	0.022500
31	0.002506	0.000380	0.002670	0.001200	0.002670	0.001200	0.002670	0.001200	0.046280	0.022500	0.046280	0.022500
32	0.002619	0.000375	0.002900	0.001300	0.002900	0.001300	0.002900	0.001300	0.048130	0.022500	0.048130	0.022500
33	0.002614	0.000373	0.003090	0.001430	0.003090	0.001430	0.003090	0.001430	0.047340	0.022500	0.047340	0.022500
34	0.002491	0.000373	0.003280	0.001580	0.003280	0.001580	0.003280	0.001580	0.046570	0.022500	0.046570	0.022500
35	0.002355	0.000366	0.003490	0.001740	0.003490	0.001740	0.003490	0.001740	0.045820	0.022500	0.045820	0.022500
36	0.001430	0.000252	0.003710	0.001920	0.003710	0.001920	0.003710	0.001920	0.045070	0.022500	0.045070	0.022500
37	0.001392	0.000253	0.003950	0.002120	0.003950	0.002120	0.003950	0.002120	0.044340	0.022500	0.044340	0.022500
38	0.001369	0.000262	0.004080	0.002260	0.004080	0.002260	0.004080	0.002260	0.043040	0.022500	0.043040	0.022500
39	0.001379	0.000287	0.004220	0.002400	0.004220	0.002400	0.004220	0.002400	0.041770	0.022500	0.041770	0.022500
40	0.001445	0.000331	0.004350	0.002550	0.004350	0.002550	0.004350	0.002550	0.040540	0.022500	0.040540	0.022500
41	0.001479	0.000388	0.004500	0.002710	0.004500	0.002710	0.004500	0.002710	0.039350	0.022500	0.039350	0.022500
42	0.001467	0.000635	0.004650	0.002880	0.004650	0.002880	0.004650	0.002880	0.038200	0.022500	0.038200	0.022500
43	0.001629	0.000750	0.004970	0.002960	0.004970	0.002960	0.004970	0.002960	0.038780	0.022520	0.038780	0.022520
44	0.001799	0.000877	0.005320	0.003040	0.005320	0.003040	0.005320	0.003040	0.039380	0.022530	0.039380	0.022530
45	0.001976	0.001015	0.005690	0.003110	0.005690	0.003110	0.005690	0.003110	0.039980	0.022550	0.039980	0.022550
46	0.002122	0.001156	0.006080	0.003200	0.006080	0.003200	0.006080	0.003200	0.040590	0.022570	0.040590	0.022570
47	0.002257	0.001306	0.006510	0.003280	0.006510	0.003280	0.006510	0.003280	0.041220	0.022590	0.041220	0.022590

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Exhibit II-8-2 (cont.)
VA Office of the Actuary VetPop Mortality Rates (Annual) – Officers

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
48	0.002384	0.001467	0.006900	0.003630	0.006900	0.003630	0.006900	0.003630	0.042360	0.023680	0.042360	0.023680
49	0.002538	0.001655	0.007320	0.004010	0.007320	0.004010	0.007320	0.004010	0.043540	0.024840	0.043540	0.024840
50	0.002694	0.001855	0.007770	0.004440	0.007770	0.004440	0.007770	0.004440	0.044760	0.026040	0.044760	0.026040
51	0.002912	0.002072	0.008240	0.004910	0.008240	0.004910	0.008240	0.004910	0.046000	0.027310	0.046000	0.027310
52	0.003215	0.002299	0.008750	0.005440	0.008750	0.005440	0.008750	0.005440	0.047290	0.028640	0.047290	0.028640
53	0.003570	0.002558	0.009450	0.006000	0.009450	0.006000	0.009450	0.006000	0.049140	0.026930	0.049140	0.026930
54	0.003964	0.002820	0.010220	0.006630	0.010220	0.006630	0.010220	0.006630	0.051070	0.025320	0.051070	0.025320
55	0.004405	0.003122	0.011040	0.007320	0.011040	0.007320	0.011040	0.007320	0.053080	0.023810	0.053080	0.023810
56	0.004838	0.003413	0.011940	0.008090	0.011940	0.008090	0.011940	0.008090	0.055170	0.022380	0.055170	0.022380
57	0.005274	0.003700	0.012900	0.008930	0.012900	0.008930	0.012900	0.008930	0.057330	0.021050	0.057330	0.021050
58	0.005715	0.003992	0.013920	0.009700	0.013920	0.009700	0.013920	0.009700	0.058710	0.024170	0.058710	0.024170
59	0.006198	0.004311	0.015030	0.010530	0.015030	0.010530	0.015030	0.010530	0.060120	0.027750	0.060120	0.027750
60	0.006769	0.004688	0.016220	0.011420	0.016220	0.011420	0.016220	0.011420	0.061570	0.031870	0.061570	0.031870
61	0.007474	0.005154	0.017500	0.012400	0.017500	0.012400	0.017500	0.012400	0.063050	0.036600	0.063050	0.036600
62	0.008311	0.005678	0.018890	0.013460	0.018890	0.013460	0.018890	0.013460	0.064560	0.042030	0.064560	0.042030
63	0.009305	0.006296	0.020480	0.014170	0.020480	0.014170	0.020480	0.014170	0.066840	0.043830	0.066840	0.043830
64	0.010445	0.006971	0.022200	0.014930	0.022200	0.014930	0.022200	0.014930	0.069200	0.045700	0.069200	0.045700
65	0.011709	0.007686	0.024080	0.015720	0.024080	0.015720	0.024080	0.015720	0.071650	0.047660	0.071650	0.047660
66	0.013113	0.008505	0.026100	0.016560	0.026100	0.016560	0.026100	0.016560	0.074140	0.049700	0.074140	0.049700
67	0.014666	0.009432	0.028300	0.017440	0.028300	0.017440	0.028300	0.017440	0.076790	0.051830	0.076790	0.051830
68	0.016351	0.010538	0.030430	0.019340	0.030430	0.019340	0.030430	0.019340	0.080000	0.054040	0.080000	0.054040
69	0.018170	0.011761	0.032710	0.021460	0.032710	0.021460	0.032710	0.021460	0.083340	0.056350	0.083340	0.056350
70	0.020115	0.013136	0.035170	0.023810	0.035170	0.023810	0.035170	0.023810	0.086820	0.058760	0.086820	0.058760
71	0.022263	0.014617	0.037810	0.026410	0.037810	0.026410	0.037810	0.026410	0.090450	0.061270	0.090450	0.061270
72	0.024761	0.016143	0.040650	0.029300	0.040650	0.029300	0.040650	0.029300	0.094220	0.063890	0.094220	0.063890
73	0.027683	0.017833	0.043900	0.031700	0.043900	0.031700	0.043900	0.031700	0.098870	0.067800	0.098870	0.067800
74	0.031117	0.019693	0.047400	0.034290	0.047400	0.034290	0.047400	0.034290	0.103750	0.071960	0.103750	0.071960
75	0.034918	0.021861	0.051180	0.037100	0.051180	0.037100	0.051180	0.037100	0.108860	0.076360	0.108860	0.076360
76	0.039039	0.024257	0.055270	0.040140	0.055270	0.040140	0.055270	0.040140	0.114230	0.081030	0.114230	0.081030
77	0.043603	0.027015	0.059680	0.043430	0.059680	0.043430	0.059680	0.043430	0.119870	0.086000	0.119870	0.086000
78	0.048660	0.030179	0.064950	0.047320	0.064950	0.047320	0.064950	0.047320	0.126690	0.092710	0.126690	0.092710
79	0.054350	0.033775	0.070680	0.051570	0.070680	0.051570	0.070680	0.051570	0.133900	0.099950	0.133900	0.099950

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Exhibit II-8-2 (cont.)
VA Office of the Actuary VetPop Mortality Rates (Annual) – Officers

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
80	0.060856	0.037766	0.076910	0.056200	0.076910	0.056200	0.076910	0.056200	0.141520	0.107760	0.141520	0.107760
81	0.068167	0.042359	0.083700	0.061240	0.083700	0.061240	0.083700	0.061240	0.149580	0.116180	0.149580	0.116180
82	0.075946	0.047636	0.091080	0.066730	0.091080	0.066730	0.091080	0.066730	0.158090	0.125250	0.158090	0.125250
83	0.084142	0.053949	0.099290	0.073700	0.099290	0.073700	0.099290	0.073700	0.165240	0.133320	0.165240	0.133320
84	0.092804	0.061531	0.108230	0.081400	0.108230	0.081400	0.108230	0.081400	0.172700	0.141910	0.172700	0.141910
85	0.102061	0.070442	0.117970	0.089900	0.117970	0.089900	0.117970	0.089900	0.180510	0.151050	0.180510	0.151050
86	0.112109	0.080765	0.128600	0.099280	0.128600	0.099280	0.128600	0.099280	0.188670	0.160780	0.188670	0.160780
87	0.123077	0.092302	0.140180	0.109650	0.140180	0.109650	0.140180	0.109650	0.197190	0.171140	0.197190	0.171140
88	0.135029	0.104784	0.151440	0.118800	0.151440	0.118800	0.151440	0.118800	0.208790	0.179130	0.208790	0.179130
89	0.147781	0.117933	0.163610	0.128720	0.163610	0.128720	0.163610	0.128720	0.221070	0.187480	0.221070	0.187480
90	0.161364	0.131999	0.176750	0.139460	0.176750	0.139460	0.176750	0.139460	0.234080	0.196220	0.234080	0.196220
91	0.175690	0.146944	0.190950	0.151100	0.190950	0.151100	0.190950	0.151100	0.247850	0.205370	0.247850	0.205370
92	0.190675	0.162220	0.206290	0.163710	0.206290	0.163710	0.206290	0.163710	0.262430	0.214960	0.262430	0.214960
93	0.206885	0.177813	0.219920	0.178710	0.219920	0.178710	0.219920	0.178710	0.274050	0.231430	0.274050	0.231430
94	0.223812	0.193321	0.234450	0.195080	0.234450	0.195080	0.234450	0.195080	0.286180	0.249170	0.286180	0.249170
95	0.240253	0.208520	0.249930	0.212950	0.249930	0.212950	0.249930	0.212950	0.298860	0.268270	0.298860	0.268270
96	0.276937	0.238789	0.276937	0.238789	0.276937	0.238789	0.276937	0.238789	0.312090	0.288840	0.312090	0.288840
97	0.296060	0.255277	0.296060	0.255277	0.296060	0.255277	0.296060	0.255277	0.325910	0.310980	0.325910	0.310980
98	0.316407	0.272822	0.316407	0.272822	0.316407	0.272822	0.316407	0.272822	0.351920	0.325170	0.351920	0.325170
99	0.336871	0.290467	0.336871	0.290467	0.336871	0.290467	0.336871	0.290467	0.380000	0.340000	0.380000	0.340000
100	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
101	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
102	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
103	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
104	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
105	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
106	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
107	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
108	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
109	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
110	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
111	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000

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Exhibit II-8-2 (cont.)
VA Office of the Actuary VetPop Mortality Rates (Annual) – Officers

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
112	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
113	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
114	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
115	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
116	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
117	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
118	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
119	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.348391	0.300400	0.410320	0.355000	0.410320	0.355000
120	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

* Disability statuses are from VA OACT VetPop projections and are as follows:
  1 – non-disabled
  2 – service-connected-disabled
  3 – disabled, non-service-connected
  4 – disabled, both service-connected and non-service-connected

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Exhibit II-8-2 (cont.)
VA Office of the Actuary VetPop Mortality Rates (Annual) – Enlisted

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
16	0.001045	0.000855	0.005000	0.002000	0.005000	0.002000	0.005000	0.002000	0.025000	0.012500	0.025000	0.012500
17	0.001045	0.000855	0.005000	0.002000	0.005000	0.002000	0.005000	0.002000	0.025000	0.012500	0.025000	0.012500
18	0.001120	0.000682	0.005000	0.002000	0.005000	0.002000	0.005000	0.002000	0.025000	0.012500	0.025000	0.012500
19	0.001202	0.000669	0.004720	0.001440	0.004720	0.001440	0.004720	0.001440	0.025000	0.013080	0.025000	0.013080
20	0.001281	0.000643	0.004480	0.001030	0.004480	0.001030	0.004480	0.001030	0.025000	0.013690	0.025000	0.013690
21	0.001359	0.000621	0.004210	0.000740	0.004210	0.000740	0.004210	0.000740	0.025000	0.014330	0.025000	0.014330
22	0.001423	0.000605	0.003970	0.000605	0.003970	0.000605	0.003970	0.000605	0.025000	0.015000	0.025000	0.015000
23	0.001466	0.000597	0.003430	0.000597	0.003430	0.000597	0.003430	0.000597	0.027410	0.016270	0.027410	0.016270
24	0.001494	0.000601	0.002960	0.000650	0.002960	0.000650	0.002960	0.000650	0.030050	0.017640	0.030050	0.017640
25	0.001513	0.000607	0.002560	0.000720	0.002560	0.000720	0.002560	0.000720	0.032940	0.019130	0.032940	0.019130
26	0.001549	0.000613	0.002210	0.000790	0.002210	0.000790	0.002210	0.000790	0.036110	0.020750	0.036110	0.020750
27	0.001628	0.000616	0.001910	0.000880	0.001910	0.000880	0.001910	0.000880	0.039590	0.022500	0.039590	0.022500
28	0.001761	0.000606	0.002080	0.000950	0.002080	0.000950	0.002080	0.000950	0.041160	0.022500	0.041160	0.022500
29	0.001939	0.000600	0.002260	0.001030	0.002260	0.001030	0.002260	0.001030	0.042800	0.022500	0.042800	0.022500
30	0.002123	0.000594	0.002460	0.001110	0.002460	0.001110	0.002460	0.001110	0.044510	0.022500	0.044510	0.022500
31	0.002301	0.000618	0.002670	0.001200	0.002670	0.001200	0.002670	0.001200	0.046280	0.022500	0.046280	0.022500
32	0.002459	0.000652	0.002900	0.001300	0.002900	0.001300	0.002900	0.001300	0.048130	0.022500	0.048130	0.022500
33	0.002599	0.000697	0.003090	0.001430	0.003090	0.001430	0.003090	0.001430	0.047340	0.022500	0.047340	0.022500
34	0.002725	0.000753	0.003280	0.001580	0.003280	0.001580	0.003280	0.001580	0.046570	0.022500	0.046570	0.022500
35	0.002854	0.000821	0.003490	0.001740	0.003490	0.001740	0.003490	0.001740	0.045820	0.022500	0.045820	0.022500
36	0.003006	0.000955	0.003710	0.001920	0.003710	0.001920	0.003710	0.001920	0.045070	0.022500	0.045070	0.022500
37	0.003088	0.001013	0.003950	0.002120	0.003950	0.002120	0.003950	0.002120	0.044340	0.022500	0.044340	0.022500
38	0.003117	0.001074	0.004080	0.002260	0.004080	0.002260	0.004080	0.002260	0.043040	0.022500	0.043040	0.022500
39	0.003116	0.001144	0.004220	0.002400	0.004220	0.002400	0.004220	0.002400	0.041770	0.022500	0.041770	0.022500
40	0.003105	0.001210	0.004350	0.002550	0.004350	0.002550	0.004350	0.002550	0.040540	0.022500	0.040540	0.022500
41	0.003124	0.001301	0.004500	0.002710	0.004500	0.002710	0.004500	0.002710	0.039350	0.022500	0.039350	0.022500
42	0.003180	0.001405	0.004650	0.002880	0.004650	0.002880	0.004650	0.002880	0.038200	0.022500	0.038200	0.022500
43	0.003275	0.001544	0.004970	0.002960	0.004970	0.002960	0.004970	0.002960	0.038780	0.022520	0.038780	0.022520
44	0.003410	0.001703	0.005320	0.003040	0.005320	0.003040	0.005320	0.003040	0.039380	0.022530	0.039380	0.022530
45	0.003578	0.001889	0.005690	0.003110	0.005690	0.003110	0.005690	0.003110	0.039980	0.022550	0.039980	0.022550
46	0.003774	0.002120	0.006080	0.003200	0.006080	0.003200	0.006080	0.003200	0.040590	0.022570	0.040590	0.022570
47	0.003994	0.002386	0.006510	0.003280	0.006510	0.003280	0.006510	0.003280	0.041220	0.022590	0.041220	0.022590

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Exhibit II-8-2 (cont.)
VA Office of the Actuary VetPop Mortality Rates (Annual) – Enlisted

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
48	0.004258	0.002715	0.006900	0.003630	0.006900	0.003630	0.006900	0.003630	0.042360	0.023680	0.042360	0.023680
49	0.004557	0.003086	0.007320	0.004010	0.007320	0.004010	0.007320	0.004010	0.043540	0.024840	0.043540	0.024840
50	0.004908	0.003516	0.007770	0.004440	0.007770	0.004440	0.007770	0.004440	0.044760	0.026040	0.044760	0.026040
51	0.005381	0.003994	0.008240	0.004910	0.008240	0.004910	0.008240	0.004910	0.046000	0.027310	0.046000	0.027310
52	0.006015	0.004505	0.008750	0.005440	0.008750	0.005440	0.008750	0.005440	0.047290	0.028640	0.047290	0.028640
53	0.006733	0.005056	0.009450	0.006000	0.009450	0.006000	0.009450	0.006000	0.049140	0.026930	0.049140	0.026930
54	0.007532	0.005637	0.010220	0.006630	0.010220	0.006630	0.010220	0.006630	0.051070	0.025320	0.051070	0.025320
55	0.008405	0.006275	0.011040	0.007320	0.011040	0.007320	0.011040	0.007320	0.053080	0.023810	0.053080	0.023810
56	0.009347	0.006975	0.011940	0.008090	0.011940	0.008090	0.011940	0.008090	0.055170	0.022380	0.055170	0.022380
57	0.010366	0.007720	0.012900	0.008930	0.012900	0.008930	0.012900	0.008930	0.057330	0.021050	0.057330	0.021050
58	0.011462	0.008509	0.013920	0.009700	0.013920	0.009700	0.013920	0.009700	0.058710	0.024170	0.058710	0.024170
59	0.012631	0.009340	0.015030	0.010530	0.015030	0.010530	0.015030	0.010530	0.060120	0.027750	0.060120	0.027750
60	0.013898	0.010245	0.016220	0.011420	0.016220	0.011420	0.016220	0.011420	0.061570	0.031870	0.061570	0.031870
61	0.015267	0.011250	0.017500	0.012400	0.017500	0.012400	0.017500	0.012400	0.063050	0.036600	0.063050	0.036600
62	0.016726	0.012356	0.018890	0.013460	0.018890	0.013460	0.018890	0.013460	0.064560	0.042030	0.064560	0.042030
63	0.018285	0.013631	0.020480	0.014170	0.020480	0.014170	0.020480	0.014170	0.066840	0.043830	0.066840	0.043830
64	0.019946	0.015053	0.022200	0.015053	0.022200	0.015053	0.022200	0.015053	0.069200	0.045700	0.069200	0.045700
65	0.021705	0.016533	0.024080	0.016533	0.024080	0.016533	0.024080	0.016533	0.071650	0.047660	0.071650	0.047660
66	0.023594	0.018108	0.026100	0.018108	0.026100	0.018108	0.026100	0.018108	0.074140	0.049700	0.074140	0.049700
67	0.025638	0.019739	0.028300	0.019739	0.028300	0.019739	0.028300	0.019739	0.076790	0.051830	0.076790	0.051830
68	0.027898	0.021561	0.030430	0.021561	0.030430	0.021561	0.030430	0.021561	0.080000	0.054040	0.080000	0.054040
69	0.030403	0.023490	0.032710	0.023490	0.032710	0.023490	0.032710	0.023490	0.083340	0.056350	0.083340	0.056350
70	0.033177	0.025662	0.035170	0.025662	0.035170	0.025662	0.035170	0.025662	0.086820	0.058760	0.086820	0.058760
71	0.036328	0.028119	0.037810	0.028119	0.037810	0.028119	0.037810	0.028119	0.090450	0.061270	0.090450	0.061270
72	0.039987	0.030765	0.040650	0.030765	0.040650	0.030765	0.040650	0.030765	0.094220	0.063890	0.094220	0.063890
73	0.044168	0.033745	0.044168	0.033745	0.044168	0.033745	0.044168	0.033745	0.098870	0.067800	0.098870	0.067800
74	0.048880	0.036873	0.048880	0.036873	0.048880	0.036873	0.048880	0.036873	0.103750	0.071960	0.103750	0.071960
75	0.054016	0.040355	0.054016	0.040355	0.054016	0.040355	0.054016	0.040355	0.108860	0.076360	0.108860	0.076360
76	0.059538	0.044048	0.059538	0.044048	0.059538	0.044048	0.059538	0.044048	0.114230	0.081030	0.114230	0.081030
77	0.065447	0.048091	0.065447	0.048091	0.065447	0.048091	0.065447	0.048091	0.119870	0.086000	0.119870	0.086000
78	0.071797	0.052676	0.071797	0.052676	0.071797	0.052676	0.071797	0.052676	0.126690	0.092710	0.126690	0.092710
79	0.078574	0.057748	0.078574	0.057748	0.078574	0.057748	0.078574	0.057748	0.133900	0.099950	0.133900	0.099950

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Exhibit II-8-2 (cont.)
VA Office of the Actuary VetPop Mortality Rates (Annual) – Enlisted

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
80	0.085930	0.063155	0.085930	0.063155	0.085930	0.063155	0.085930	0.063155	0.141520	0.107760	0.141520	0.107760
81	0.093716	0.068958	0.093716	0.068958	0.093716	0.068958	0.093716	0.068958	0.149580	0.116180	0.149580	0.116180
82	0.101562	0.075096	0.101562	0.075096	0.101562	0.075096	0.101562	0.075096	0.158090	0.125250	0.158090	0.125250
83	0.109161	0.081575	0.109161	0.081575	0.109161	0.081575	0.109161	0.081575	0.165240	0.133320	0.165240	0.133320
84	0.116683	0.088443	0.116683	0.088443	0.116683	0.088443	0.116683	0.088443	0.172700	0.141910	0.172700	0.141910
85	0.124524	0.095760	0.124524	0.095760	0.124524	0.095760	0.124524	0.095760	0.180510	0.151050	0.180510	0.151050
86	0.133013	0.103661	0.133013	0.103661	0.133013	0.103661	0.133013	0.103661	0.188670	0.160780	0.188670	0.160780
87	0.142230	0.111989	0.142230	0.111989	0.142230	0.111989	0.142230	0.111989	0.197190	0.171140	0.197190	0.171140
88	0.152209	0.120675	0.152209	0.120675	0.152209	0.120675	0.152209	0.120675	0.208790	0.179130	0.208790	0.179130
89	0.162978	0.129931	0.163610	0.129931	0.163610	0.129931	0.163610	0.129931	0.221070	0.187480	0.221070	0.187480
90	0.174441	0.140107	0.176750	0.140107	0.176750	0.140107	0.176750	0.140107	0.234080	0.196220	0.234080	0.196220
91	0.186572	0.151323	0.190950	0.151323	0.190950	0.151323	0.190950	0.151323	0.247850	0.205370	0.247850	0.205370
92	0.199562	0.163259	0.206290	0.163710	0.206290	0.163710	0.206290	0.163710	0.262430	0.214960	0.262430	0.214960
93	0.213585	0.175508	0.219920	0.178710	0.219920	0.178710	0.219920	0.178710	0.274050	0.231430	0.274050	0.231430
94	0.228559	0.187975	0.234450	0.195080	0.234450	0.195080	0.234450	0.195080	0.286180	0.249170	0.286180	0.249170
95	0.243908	0.200873	0.249930	0.212950	0.249930	0.212950	0.249930	0.212950	0.298860	0.268270	0.298860	0.268270
96	0.279939	0.229041	0.279939	0.232460	0.279939	0.232460	0.279939	0.232460	0.312090	0.288840	0.312090	0.288840
97	0.298408	0.244152	0.298408	0.253760	0.298408	0.253760	0.298408	0.253760	0.325910	0.310980	0.325910	0.310980
98	0.317823	0.260037	0.317823	0.266560	0.317823	0.266560	0.317823	0.266560	0.351920	0.325170	0.351920	0.325170
99	0.332398	0.271962	0.332398	0.280000	0.332398	0.280000	0.332398	0.280000	0.380000	0.340000	0.380000	0.340000
100	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
101	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
102	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
103	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
104	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
105	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
106	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
107	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
108	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
109	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
110	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
111	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000

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Exhibit II-8-2 (cont.)
VA Office of the Actuary VetPop Mortality Rates (Annual) – Enlisted

	Dis Stat 1		Dis Stat 2, Deg<40		Dis Stat 2, 40-70		Dis Stat 2, Deg>70		Dis Stat 3		Dis Stat 4	
Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
112	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
113	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
114	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
115	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
116	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
117	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
118	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
119	0.347765	0.284535	0.347765	0.294120	0.347765	0.294120	0.347765	0.294120	0.410320	0.355000	0.410320	0.355000
120	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000

* Disability statuses are from VA OACT VetPop projections and are as follows:
  1 – non-disabled
  2 – service-connected-disabled
  3 – disabled, non-service-connected
  4 – disabled, both service-connected and non-service-connected

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Exhibit II-8-3
VA Enrollee Mortality Study
Methodology Example

Assume actual experience for a priority as follows:

Enrollee Type	Gender	Age	Exposures	Deaths
Pre	M	1	200	8
Pre	M	2	300	15
Pre	M	3	400	35
Pre	M	4	100	45
Pre	F	1	30	1
Pre	F	2	50	3
Pre	F	3	70	17
Pre	F	4	20	13
				137
Post	M	1	220	5
Post	M	2	320	18
Post	M	3	430	30
Post	M	4	120	26
Post	F	1	40	1
Post	F	2	60	2
Post	F	3	80	14
Post	F	4	25	12
				108

And a basic mortality table of:

Gender	Age	Rate
M	1	0.05
M	2	0.08
M	3	0.15
M	4	0.45
F	1	0.03
F	2	0.05
F	3	0.12
F	4	0.35

Step 1: Calculate the expected number of deaths based upon the basic mortality table
= Exposures x mortality rate, calculated separately for pre- and post- enrollees

Enrollee Type	Gender	Age	Exposures	Mortality Rate	Expected Deaths	
Pre	M	1	200	0.05	10.0	=200 x 0.05
Pre	M	2	300	0.08	24.0	
Pre	M	3	400	0.15	60.0	
Pre	M	4	100	0.45	45.0	
Pre	F	1	30	0.03	0.9	
Pre	F	2	50	0.05	2.5	
Pre	F	3	70	0.12	8.4	
Pre	F	4	20	0.35	7.0	
					157.8	
Post	M	1	220	0.05	11.0	
Post	M	2	320	0.08	25.6	
Post	M	3	430	0.15	64.5	
Post	M	4	120	0.45	54.0	
Post	F	1	40	0.03	1.2	
Post	F	2	60	0.05	3.0	
Post	F	3	80	0.12	9.6	
Post	F	4	25	0.35	8.8	
					177.7	

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Exhibit II-8-3 (cont.)

Step 2: Calculate mortality adjustment factors
= *Actual deaths divided by expected death for each enrollee type*

Pre:	0.86819	=137/157.8
Post:	0.60794	=108/177.7
Post/Pre:	0.70024	=.60794/.86819

Step 3: Calculate "adjusted" expected mortality

Enrollee Type	Gender	Age	Exposures	Mortality Rate	Adjustment	Adjusted Expected Deaths	
Pre	M	1	200	0.05	0.86819	8.7	= 200 x
Pre	M	2	300	0.08	0.86819	20.8	
Pre	M	3	400	0.15	0.86819	52.1	
Pre	M	4	100	0.45	0.86819	39.1	
Pre	F	1	30	0.03	0.86819	0.8	
Pre	F	2	50	0.05	0.86819	2.2	
Pre	F	3	70	0.12	0.86819	7.3	
Pre	F	4	20	0.35	0.86819	6.1	
						137.0	
Post	M	1	220	0.05	0.60794	6.7	
Post	M	2	320	0.08	0.60794	15.6	
Post	M	3	430	0.15	0.60794	39.2	
Post	M	4	120	0.45	0.60794	32.8	
Post	F	1	40	0.03	0.60794	0.7	
Post	F	2	60	0.05	0.60794	1.8	
Post	F	3	80	0.12	0.60794	5.8	
Post	F	4	25	0.35	0.60794	5.3	
						108.0	

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Exhibit II-8-3 (cont.)

Step 4: Calculate the fit factor

Enrollee Type	Gender	Age	Actual Deaths	Adjusted Expected Deaths	Absolute Difference
Pre	M	1	8	8.7	0.7
Pre	M	2	15	20.8	5.8
Pre	M	3	35	52.1	17.1
Pre	M	4	45	39.1	5.9
Pre	F	1	1	0.8	0.2
Pre	F	2	3	2.2	0.8
Pre	F	3	17	7.3	9.7
Pre	F	4	13	6.1	6.9
			137	137	47.2
Post	M	1	5	6.7	1.7
Post	M	2	18	15.6	2.4
Post	M	3	30	39.2	9.2
Post	M	4	26	32.8	6.8
Post	F	1	1	0.7	0.3
Post	F	2	2	1.8	0.2
Post	F	3	14	5.8	8.2
Post	F	4	12	5.3	6.7
			108	108	35.5

Fit factor: 66.26% =1-(47.2+35.5)/(137+108)

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Exhibit II-8-4
Mortality Tables
Summary of "Fit" Statistics

Priority	Avg. Ann. Exposures	USLife 69-71		VetPop Status 1		VetPop Status 2		VetPop Status 4		GAM83	
		Fit Stat	Mult.	Fit Stat	Mult.	Fit Stat	Mult.	Fit Stat	Mult.	Fit Stat	Mult.
1	6,074,397	85.84%	0.93996	69.71%	1.30092	77.02%	1.22863	75.35%	0.49641	63.47%	1.57249
2	4,097,201	89.93%	0.71134	88.32%	0.97314	91.31%	0.92269	54.40%	0.37147	83.51%	1.17613
3	7,702,659	89.73%	0.68922	90.15%	0.93494	93.05%	0.88891	52.11%	0.35788	85.40%	1.12777
4	1,960,025	78.83%	2.04547	65.20%	2.69555	68.71%	2.60950	85.81%	1.29923	60.20%	3.19373
5	22,074,930	86.64%	0.69938	72.25%	0.97327	77.93%	0.92540	79.36%	0.39079	66.66%	1.18638
6	1,037,257	80.94%	0.65122	72.63%	1.03023	79.93%	0.90874	59.69%	0.29253	68.22%	1.31014
7a	777,863	83.32%	0.46053	85.17%	0.62431	85.67%	0.59642	57.21%	0.24562	82.95%	0.75200
7c	14,082,020	89.54%	0.40703	90.36%	0.56673	93.17%	0.53978	68.78%	0.22705	86.89%	0.69183

Priority	Avg. Ann. Exposures	RP-2000		1965 RRB		CSO80		SOA 1990-95		US Life 1991	
		Fit Stat	Mult.	Fit Stat	Mult.	Fit Stat	Mult.	Fit Stat	Mult.	Fit Stat	Mult.
1	6,074,397	56.11%	1.89361	69.44%	0.52774	70.08%	1.08464	93.14%	0.59784	75.07%	1.33169
2	4,097,201	76.37%	1.41310	48.71%	0.39164	89.14%	0.81237	86.02%	1.31473	92.21%	1.00304
3	7,702,659	79.10%	1.35021	46.47%	0.37645	91.01%	0.78097	88.43%	1.26121	93.70%	0.96578
4	1,960,025	52.87%	3.83565	79.43%	1.40084	64.36%	2.23100	61.17%	3.69238	68.25%	2.89174
5	22,074,930	59.97%	1.49011	73.19%	0.42043	72.30%	0.81474	70.21%	1.37032	77.62%	1.03706
6	1,037,257	51.35%	1.91960	55.73%	0.31042	74.60%	0.85262	65.66%	1.61139	75.93%	1.13298
7a	777,863	77.48%	0.89379	52.65%	0.26099	85.40%	0.52167	84.46%	0.83481	86.74%	0.63894
7c	14,082,020	80.48%	0.86102	66.81%	0.24464	91.34%	0.47494	89.01%	0.79054	93.14%	0.59784

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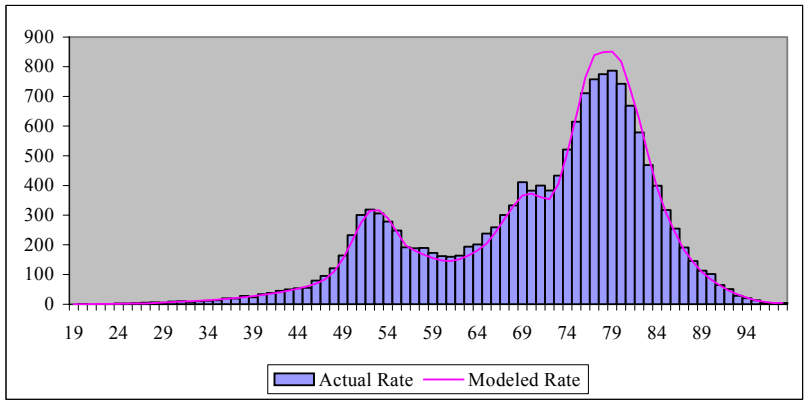
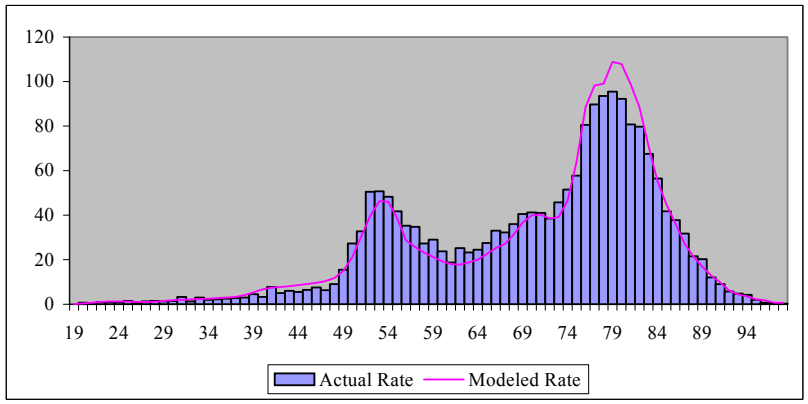
Exhibit II-8-5
Comparison of Actual and Modeled Deaths
Priority Level 1

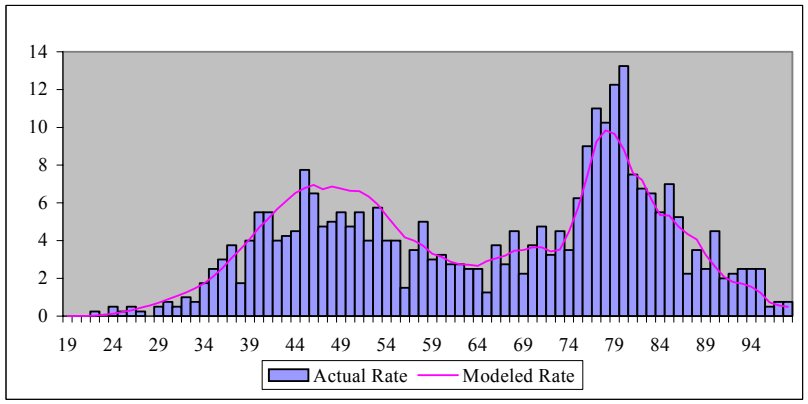
Male, Enrollee Type 1



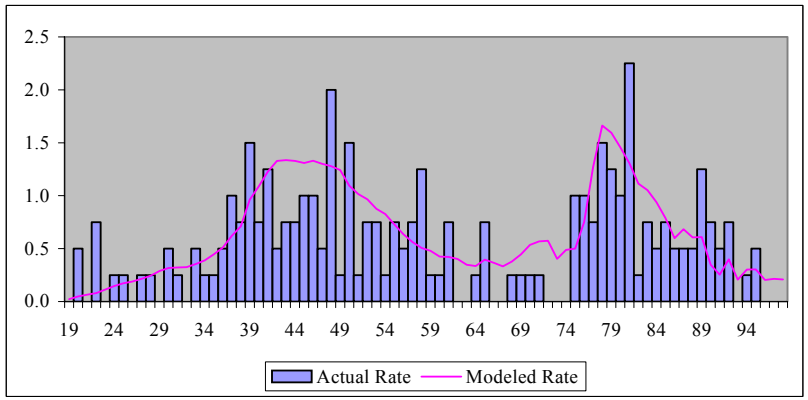
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	PL1
Adjustment Factor:	1.32078
Enrollee 2/3 Adj. Fact:	0.69006
"Fit" Factor	91.79%

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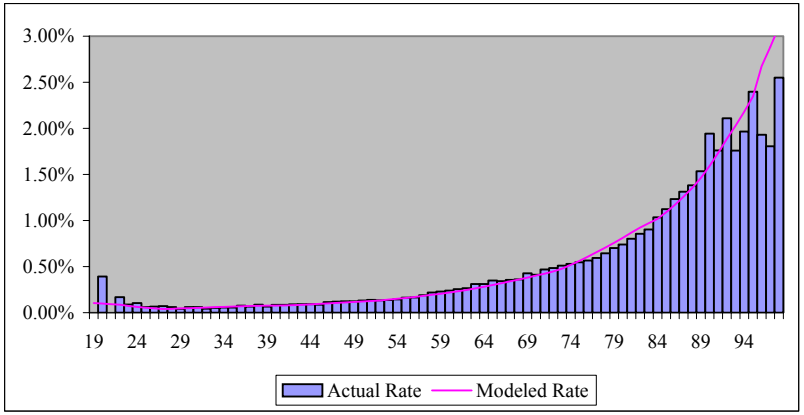
Exhibit II-8-5 (cont.)

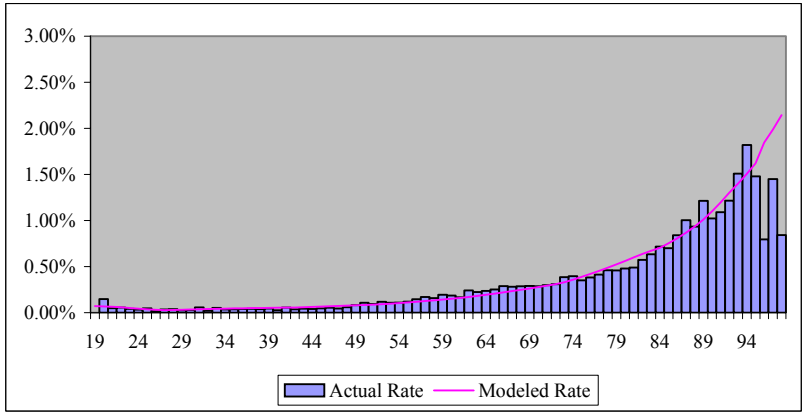
Comparison of Actual and Modeled Mortality Rates

Priority Level 1

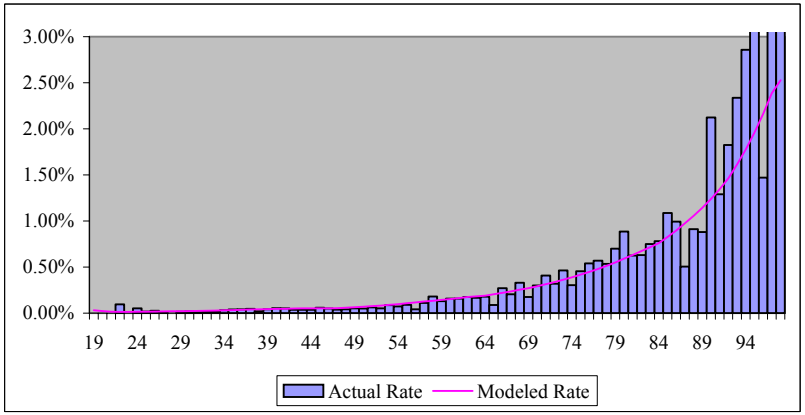
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

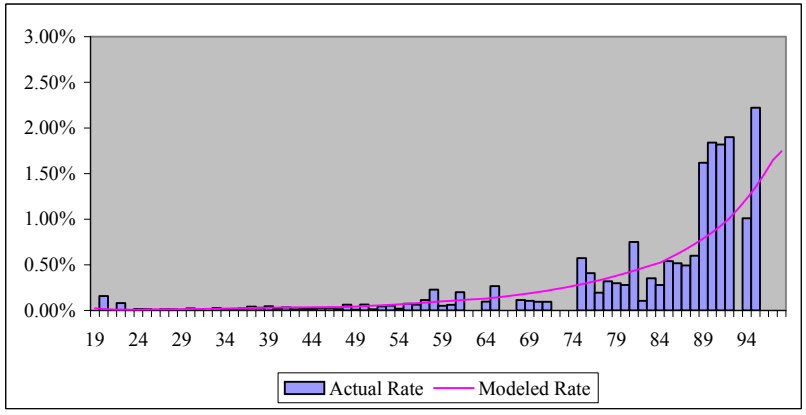


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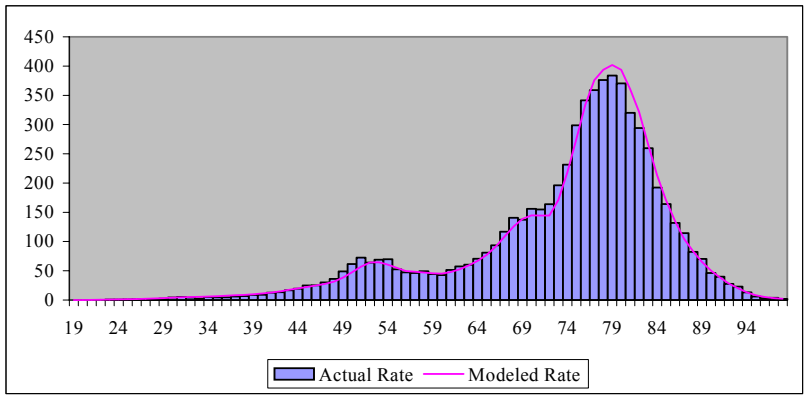
Exhibit II-8-5 (cont.)

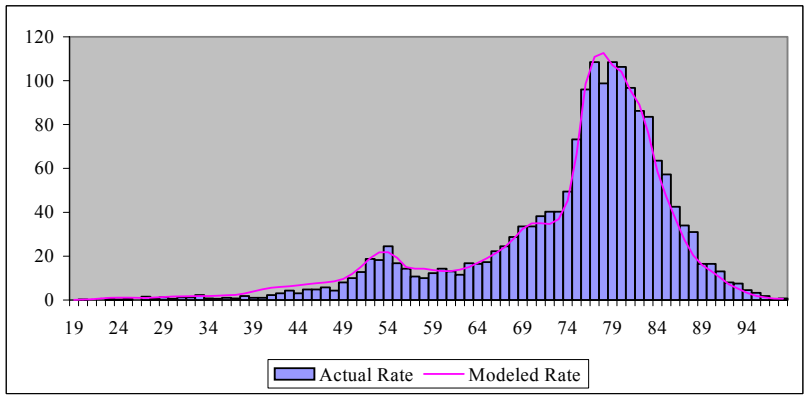
Comparison of Actual and Modeled Deaths

Priority Level 2

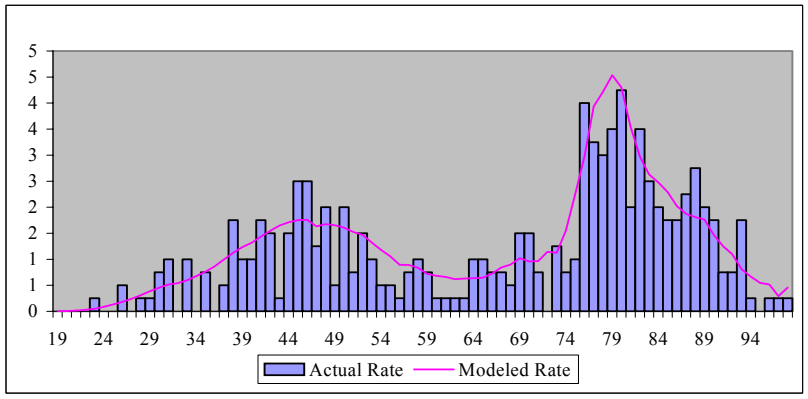
Male, Enrollee Type 1



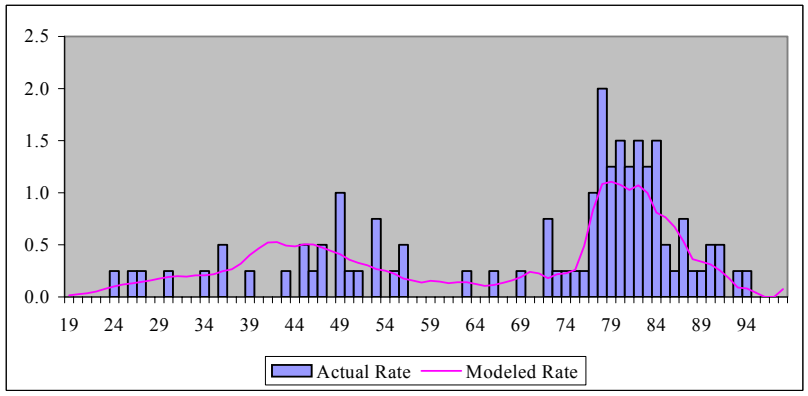
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	VetPopD
Adjustment Factor:	0.95507
Enrollee 2/3 Adj. Fact:	0.68520
"Fit" Factor	91.58%

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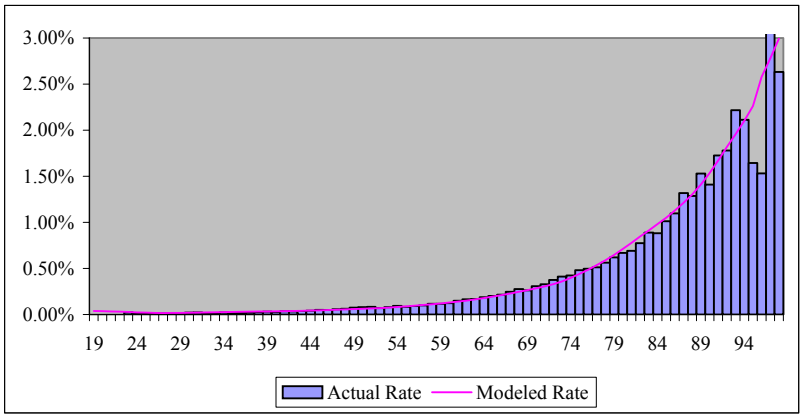
Exhibit II-8-5 (cont.)

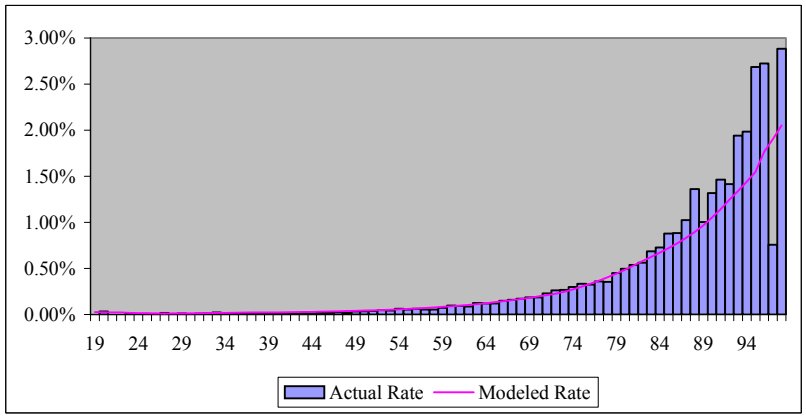
Comparison of Actual and Modeled Mortality Rates

Priority Level 2

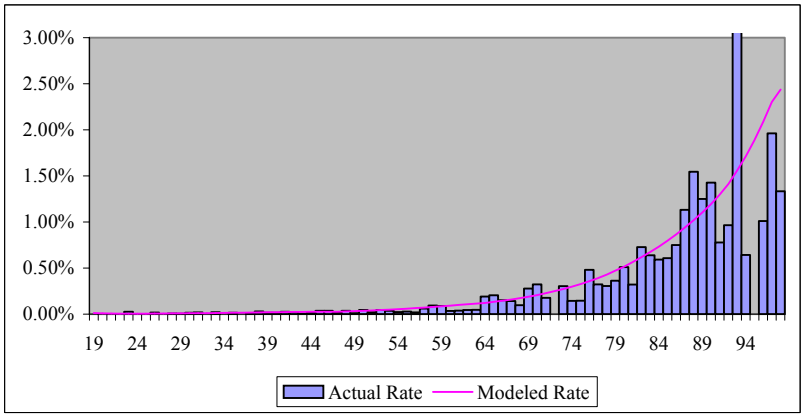
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

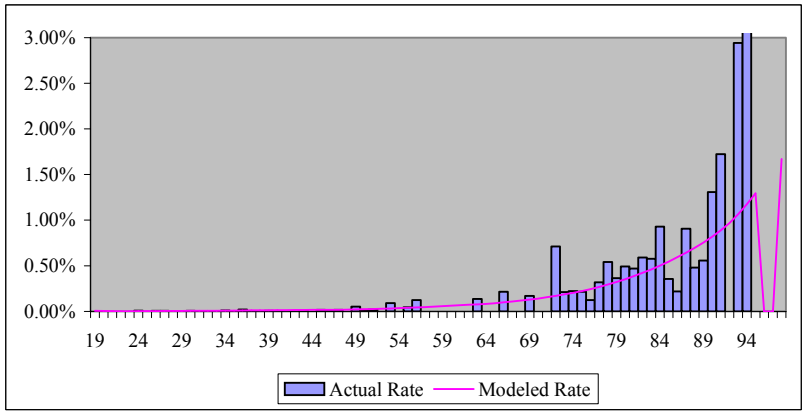


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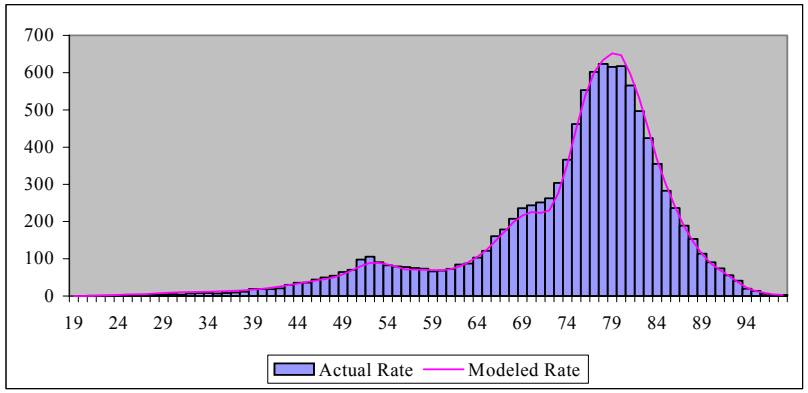
Exhibit II-8-5 (cont.)

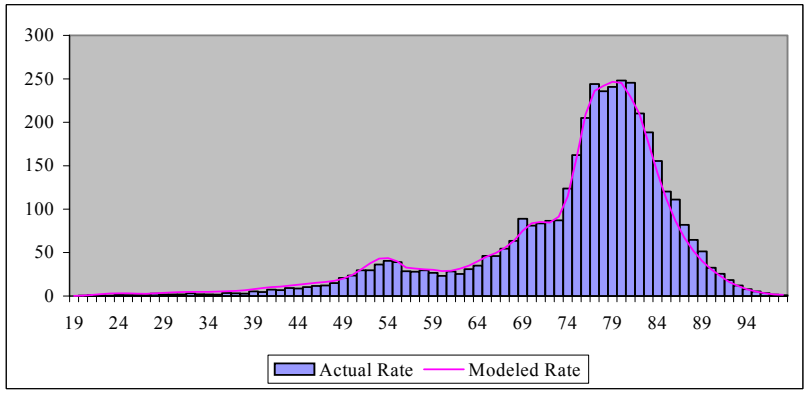
Comparison of Actual and Modeled Deaths

Priority Level 3

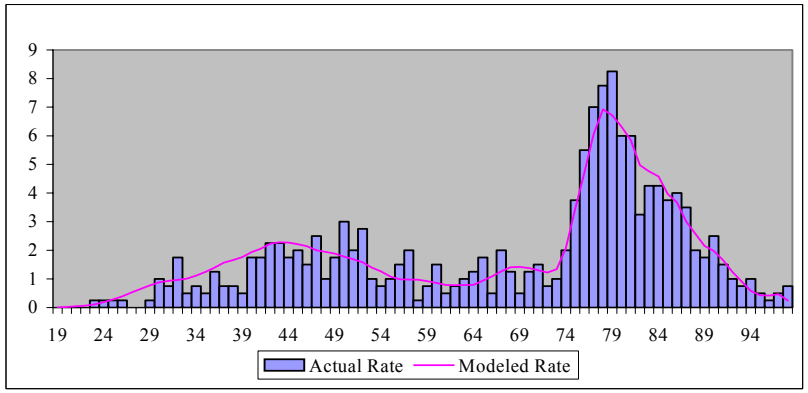
Male, Enrollee Type 1



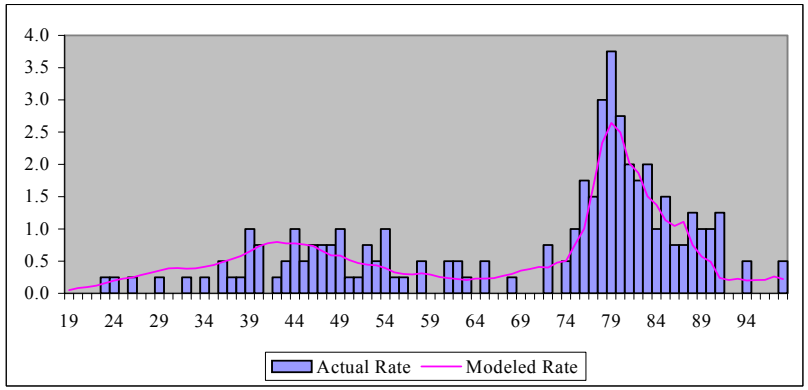
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	VetPopD
Adjustment Factor:	0.92071
Enrollee 2/3 Adj. Fact:	0.67132
"Fit" Factor	93.45%

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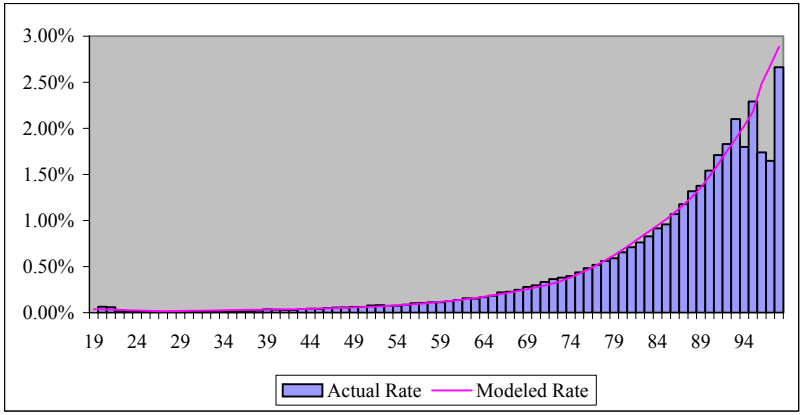
Exhibit II-8-5 (cont.)

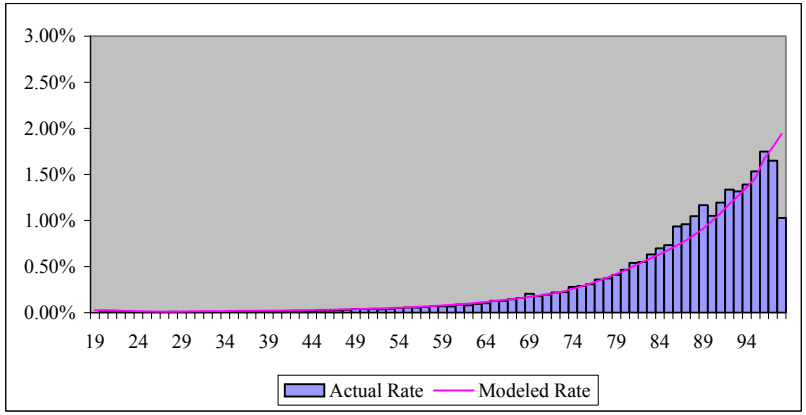
Comparison of Actual and Modeled Mortality Rates

Priority Level 3

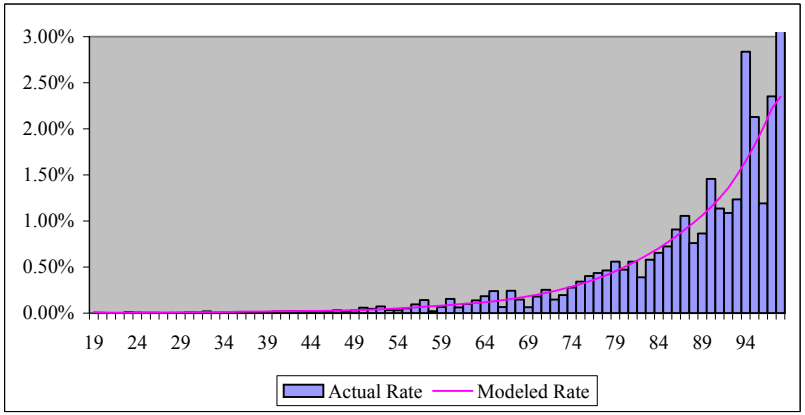
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

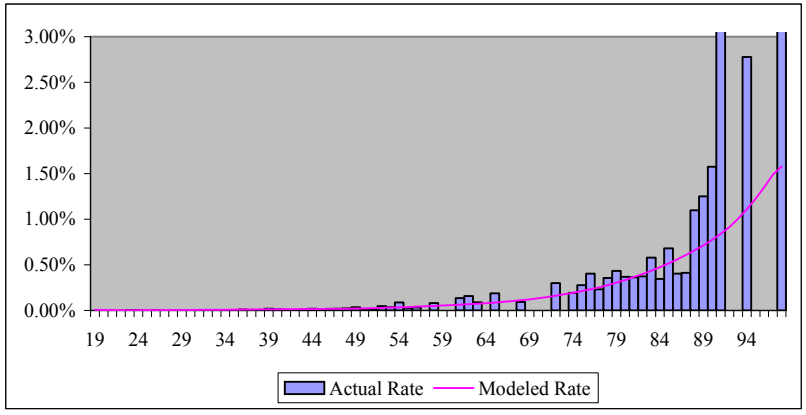


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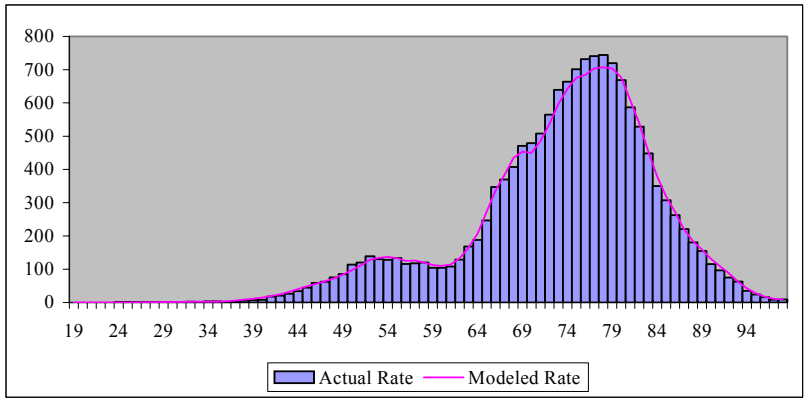
Exhibit II-8-5 (cont.)

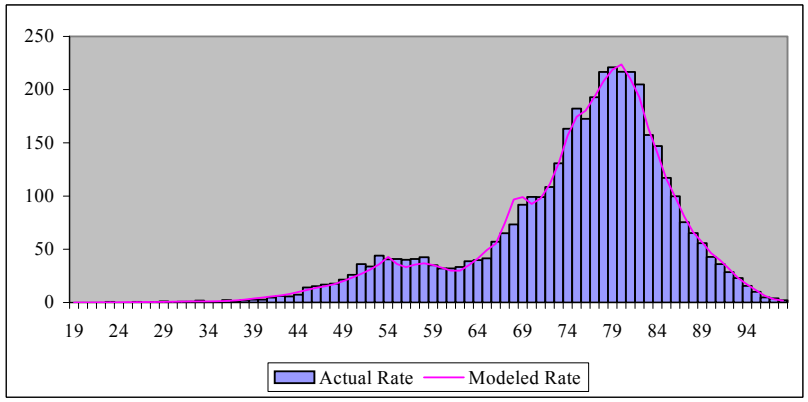
Comparison of Actual and Modeled Deaths

Priority Level 4

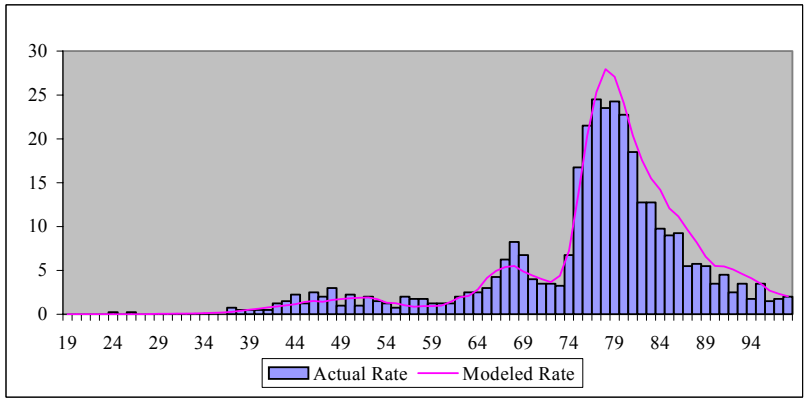
Male, Enrollee Type 1



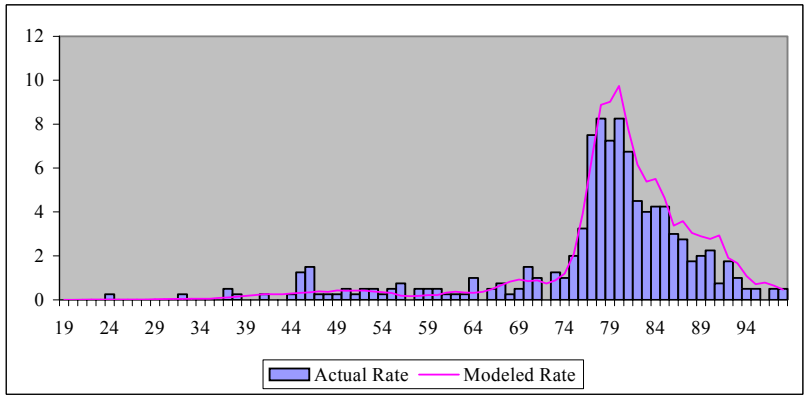
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	PL4
Adjustment Factor:	1.29967
Enrollee 2/3 Adj. Fact:	0.80663
"Fit" Factor	94.44%

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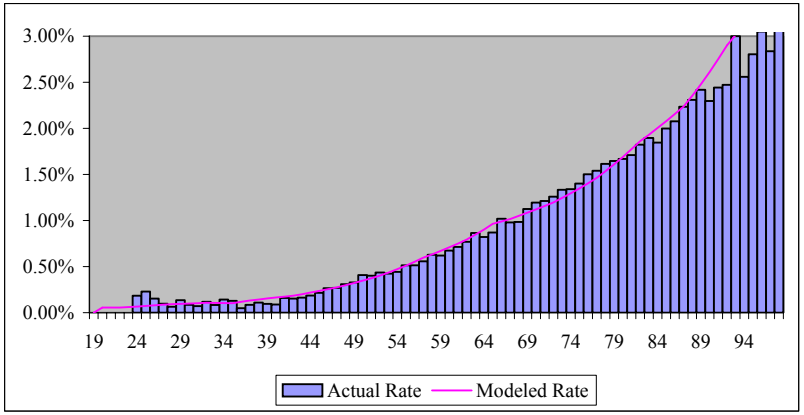
Exhibit II-8-5 (cont.)

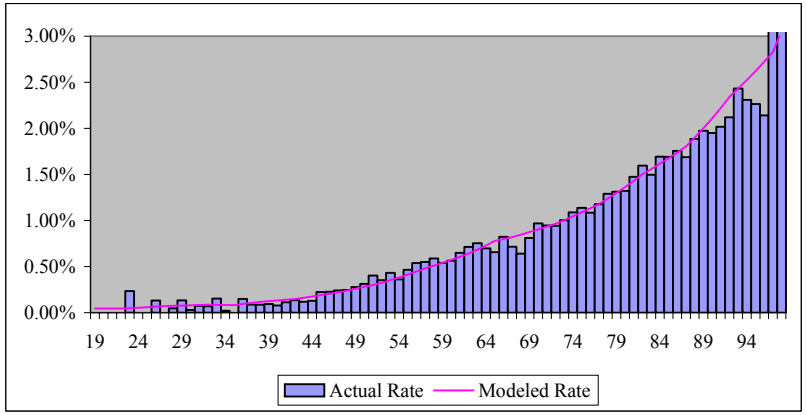
Comparison of Actual and Modeled Mortality Rates

Priority Level 4

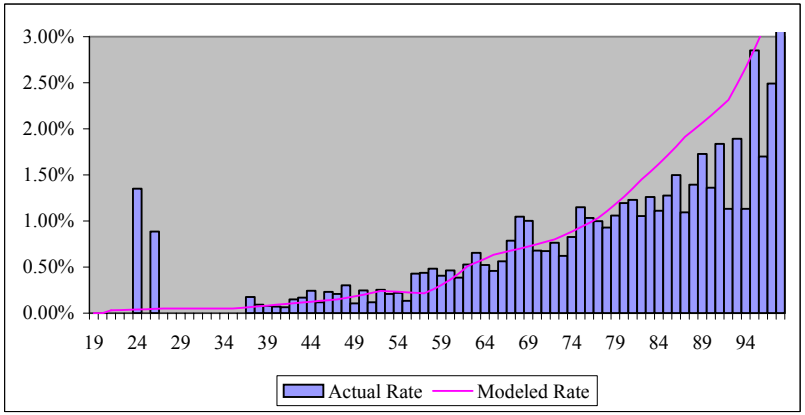
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

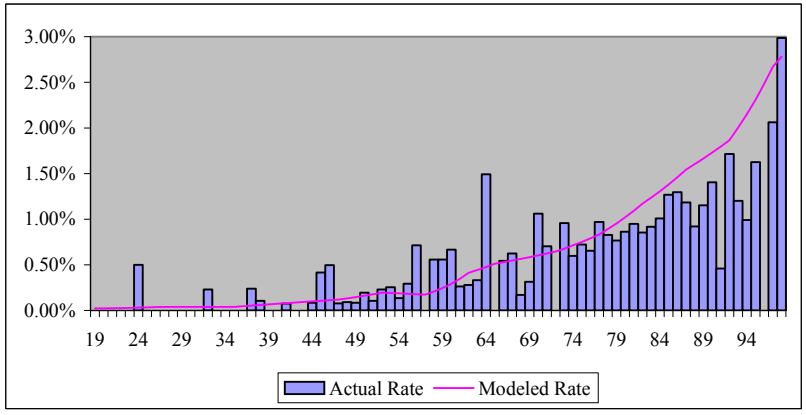


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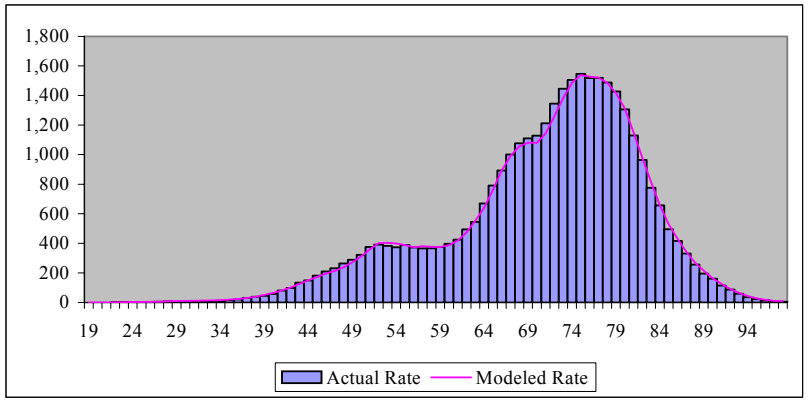
Exhibit II-8-5 (cont.)

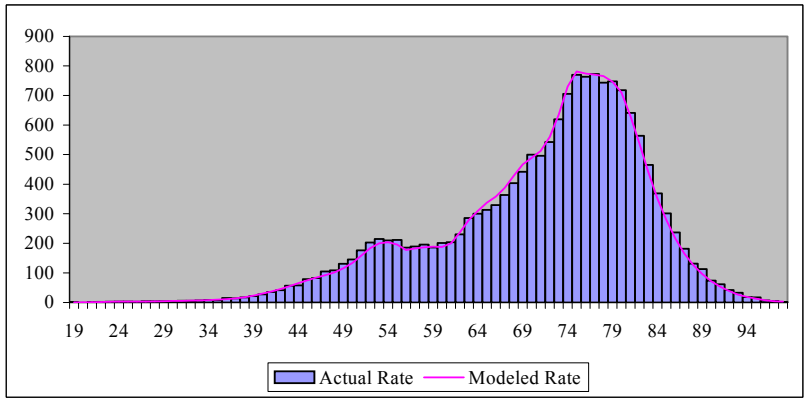
Comparison of Actual and Modeled Deaths

Priority Level 5

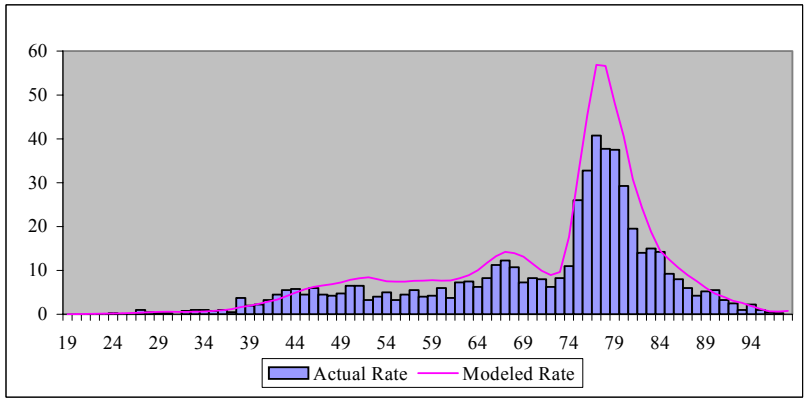
Male, Enrollee Type 1



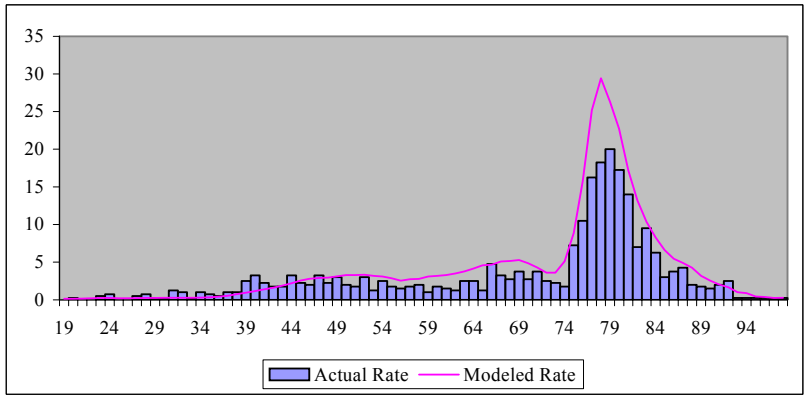
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	PL5
Adjustment Factor:	1.01209
Enrollee 2/3 Adj. Fact:	0.76334
"Fit" Factor	96.19%

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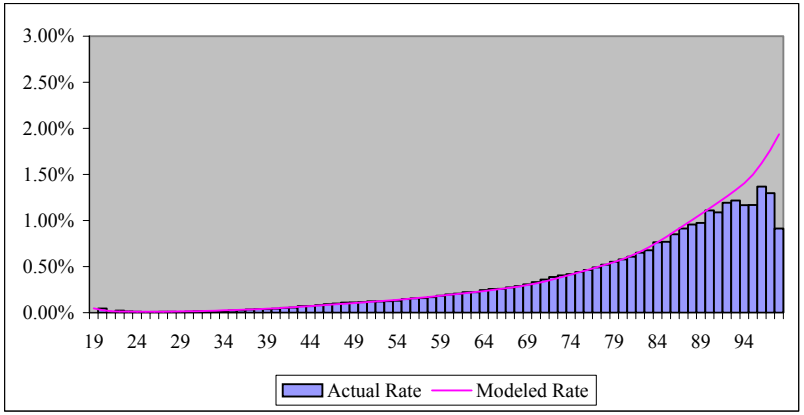
Exhibit II-8-5 (cont.)

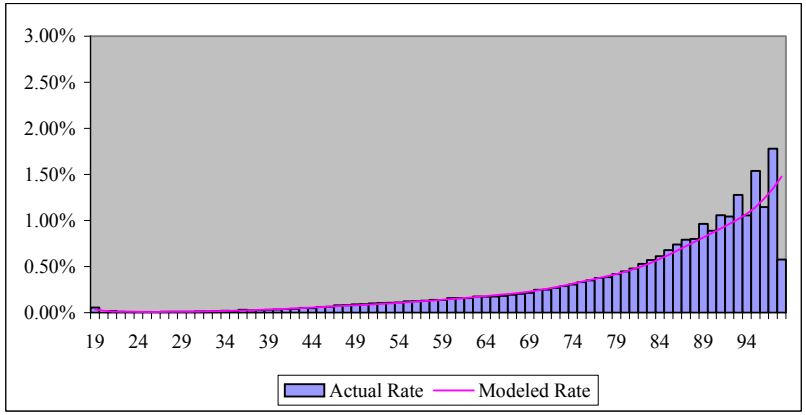
Comparison of Actual and Modeled Mortality Rates

Priority Level 5

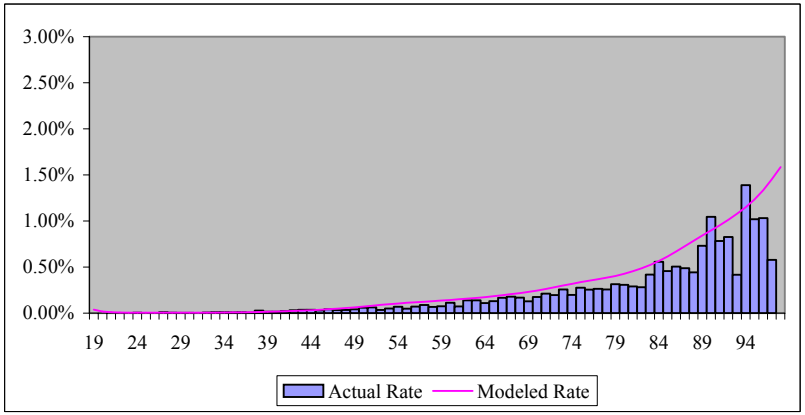
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

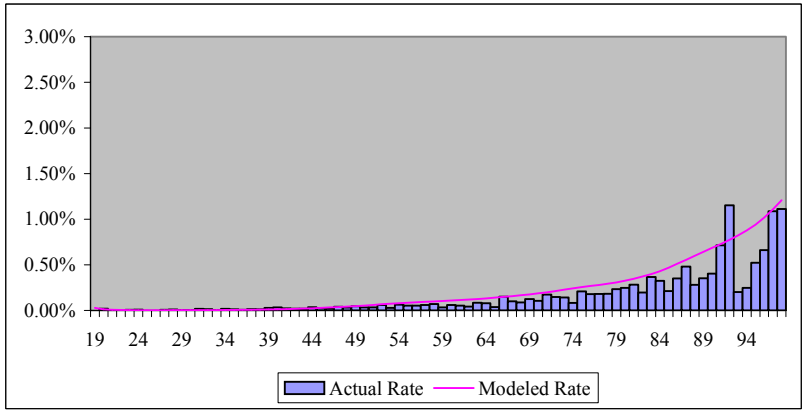


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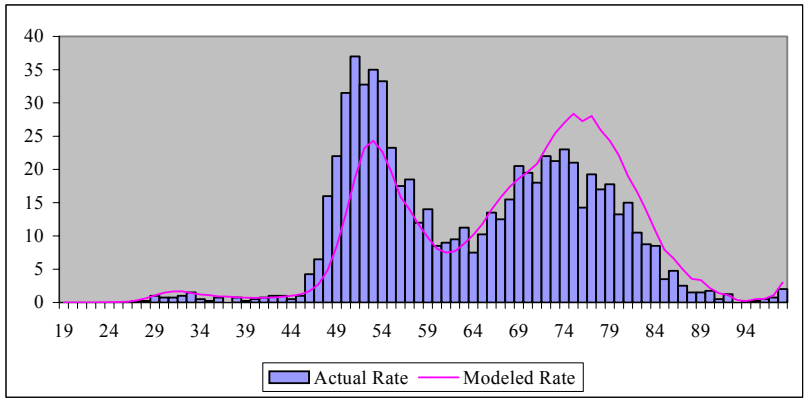
Exhibit II-8-5 (cont.)

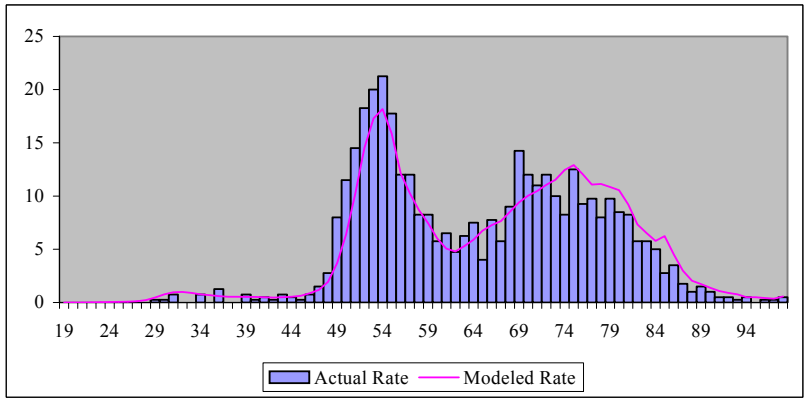
Comparison of Actual and Modeled Deaths

Priority Level 6

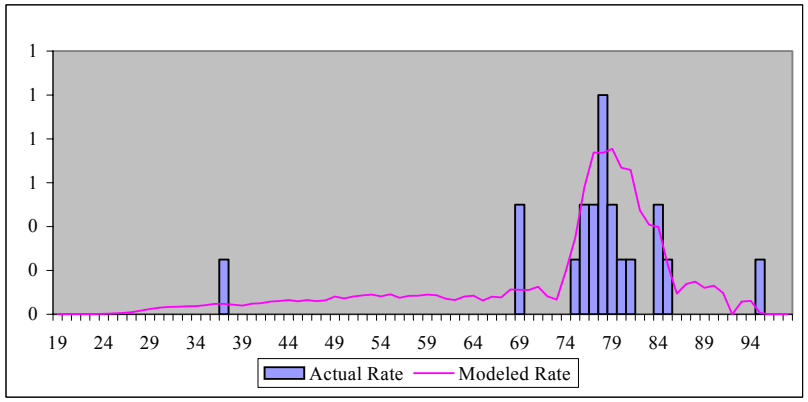
Male, Enrollee Type 1



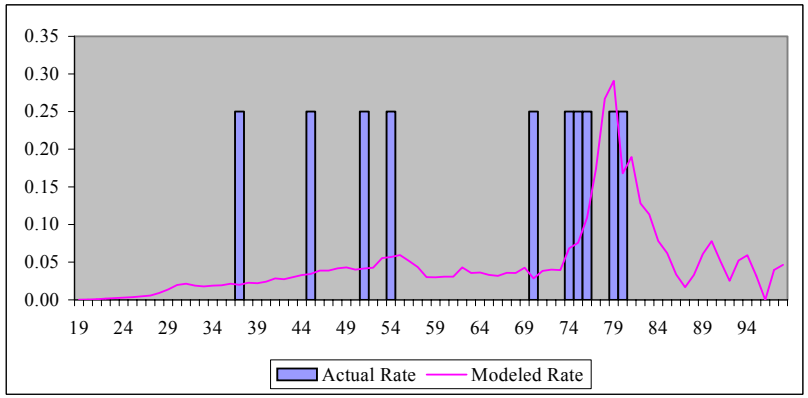
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	VetPopH
Adjustment Factor:	1.19915
Enrollee 2/3 Adj. Fact:	0.52080
"Fit" Factor	69.47%

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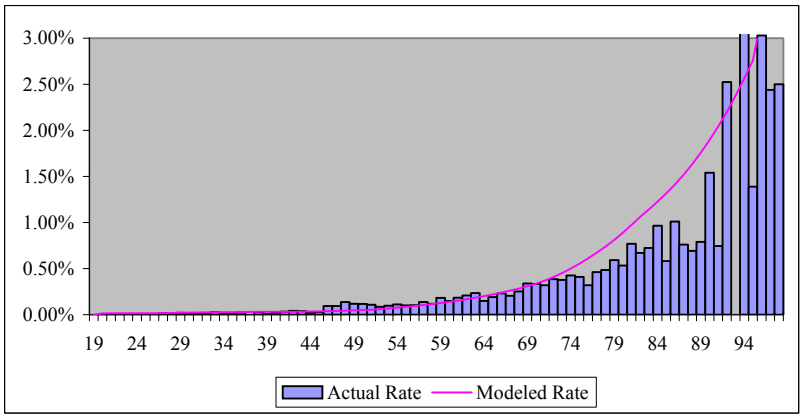
Exhibit II-8-5 (cont.)

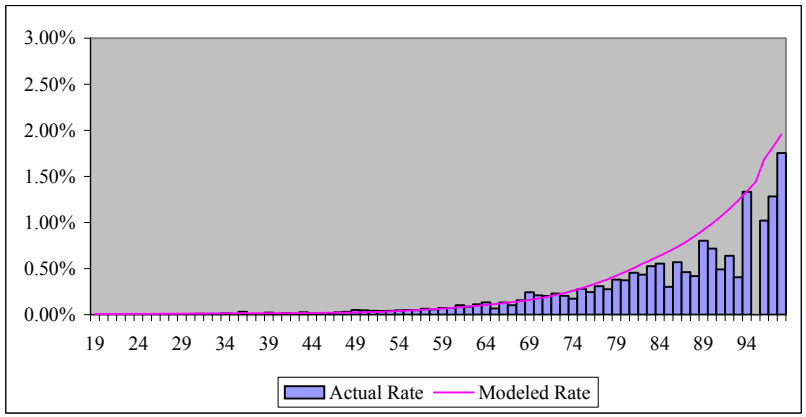
Comparison of Actual and Modeled Mortality Rates

Priority Level 6

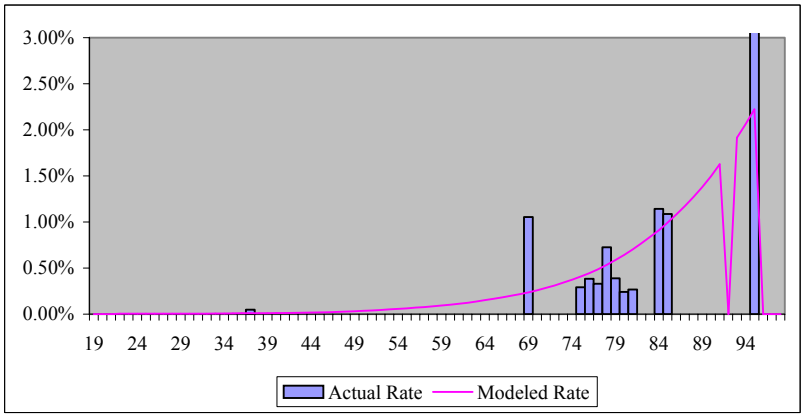
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

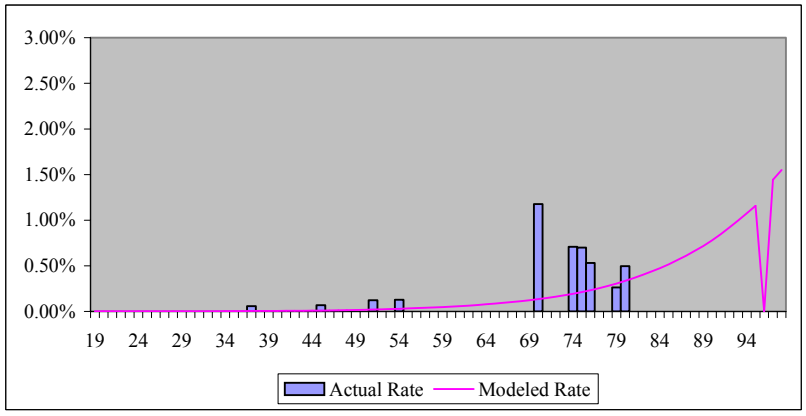


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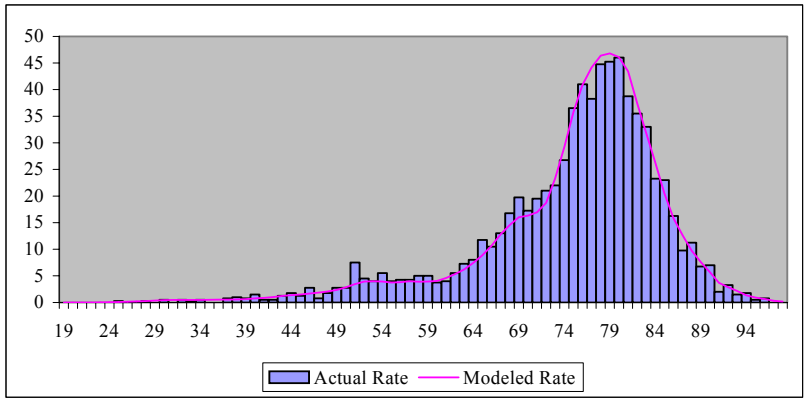
Exhibit II-8-5 (cont.)

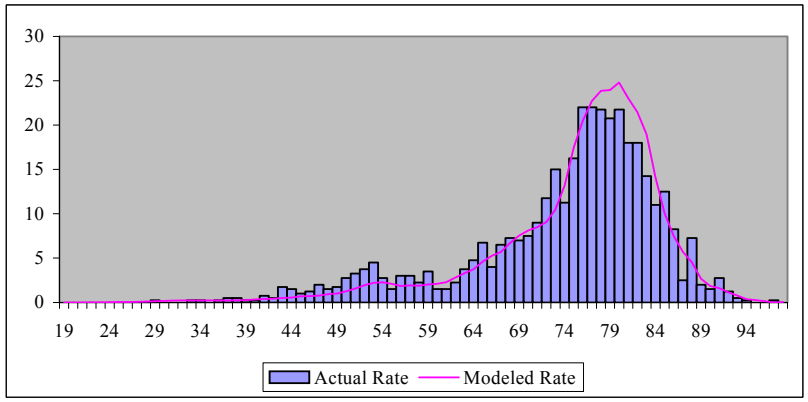
Comparison of Actual and Modeled Deaths

Priority Level 7a

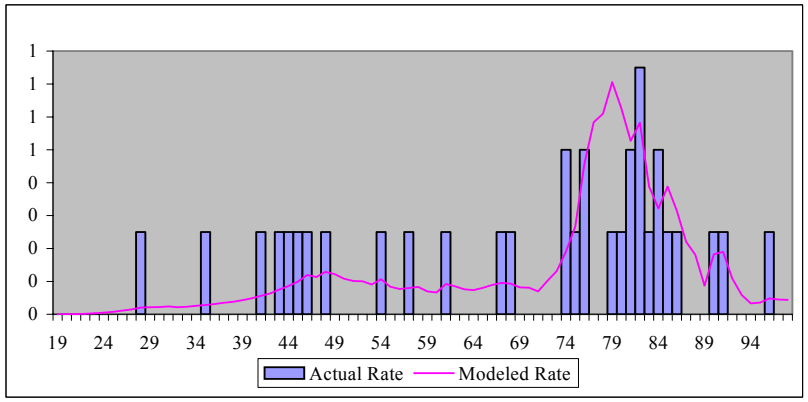
Male, Enrollee Type 1



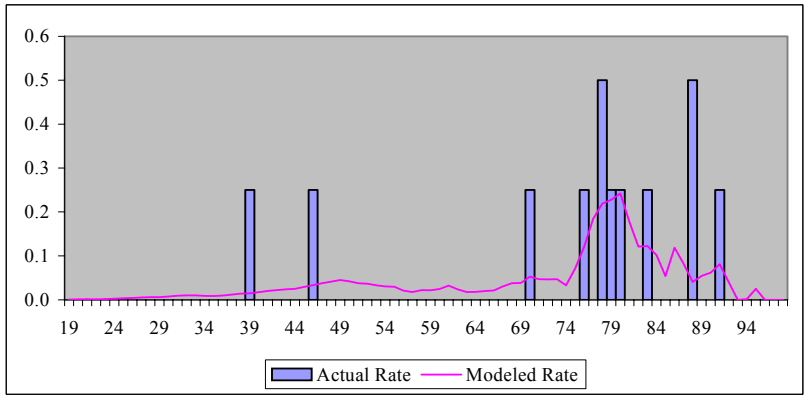
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	VetPopH
Adjustment Factor:	0.64289
Enrollee 2/3 Adj. Fact:	0.70154
"Fit" Factor	85.10%

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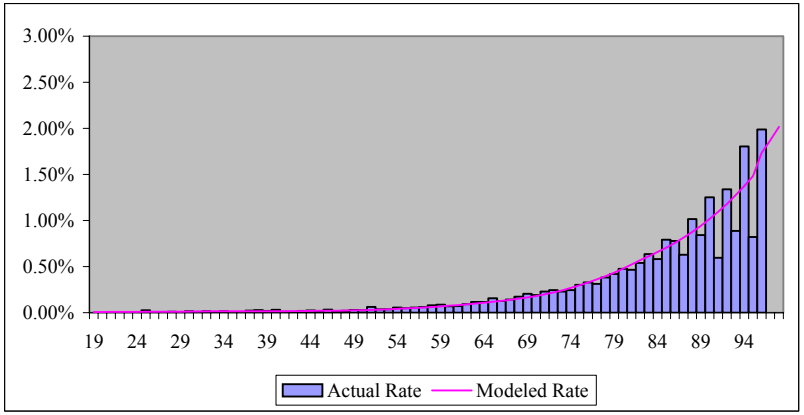
Exhibit II-8-5 (cont.)

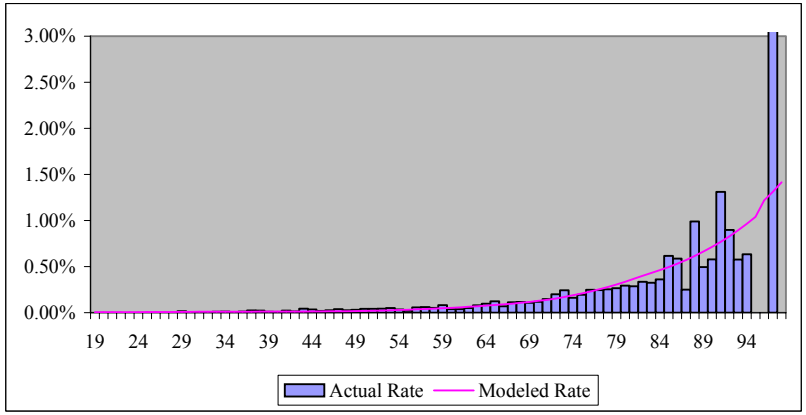
Comparison of Actual and Modeled Mortality Rates

Priority Level 7a

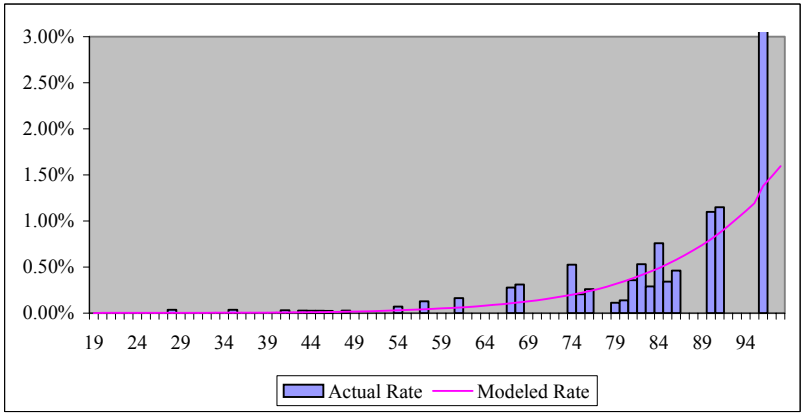
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

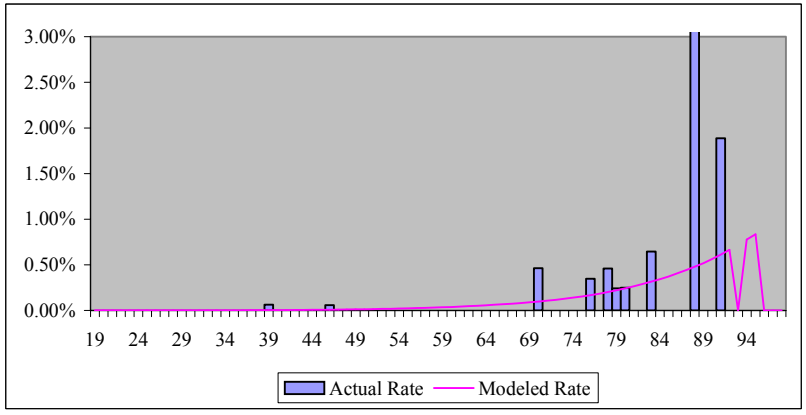


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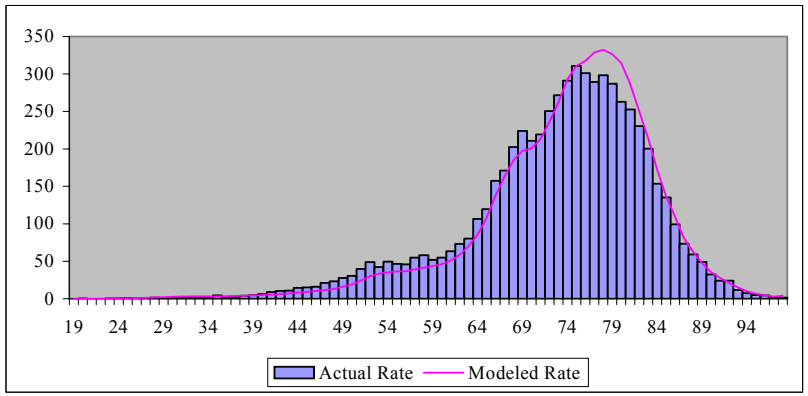
Exhibit II-8-5 (cont.)

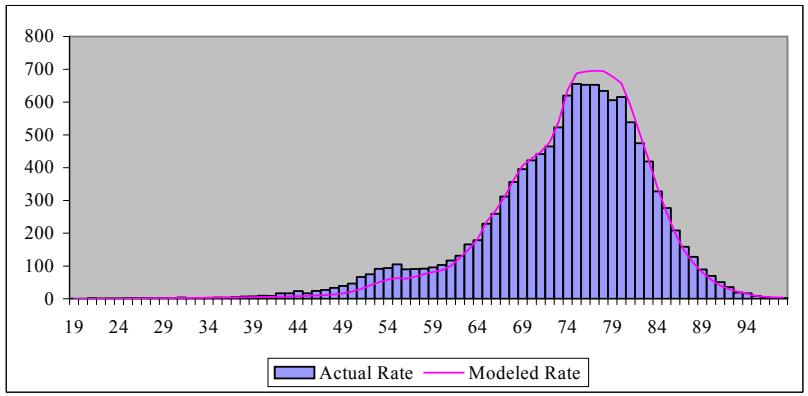
Comparison of Actual and Modeled Deaths

Priority Level 7c

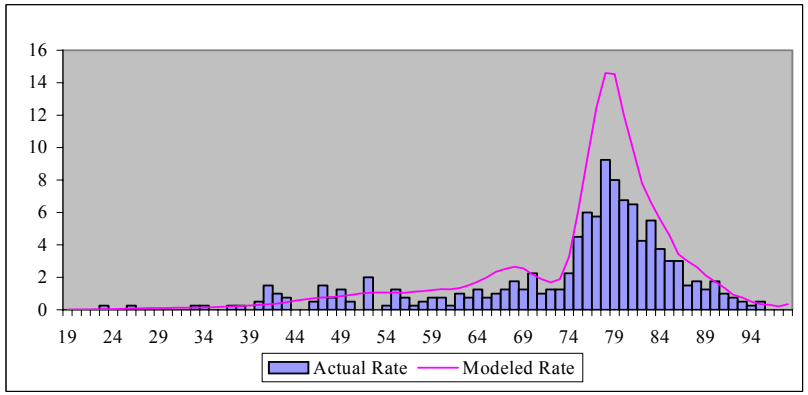
Male, Enrollee Type 1



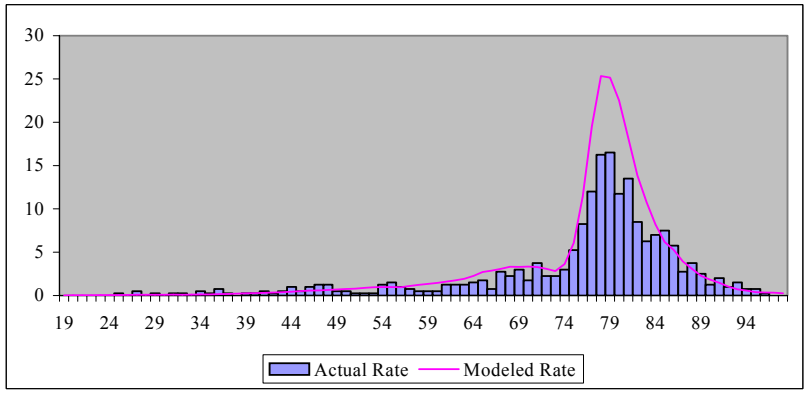
Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3



Mortality Table:	VetPopH
Adjustment Factor:	0.60536
Enrollee 2/3 Adj. Fact:	0.73278
"Fit" Factor	89.74%

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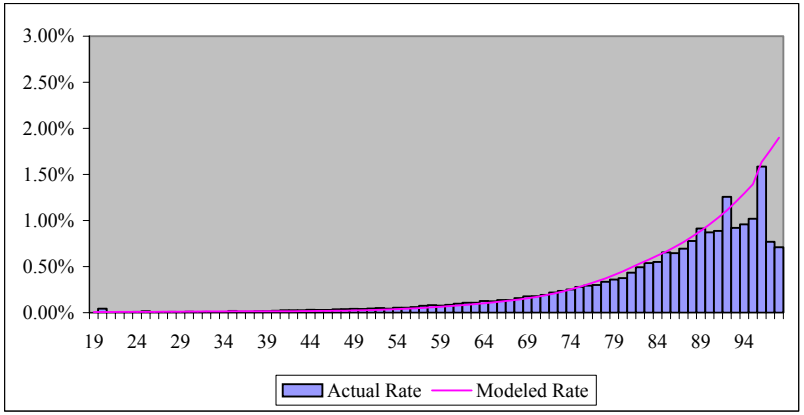
Exhibit II-8-5 (cont.)

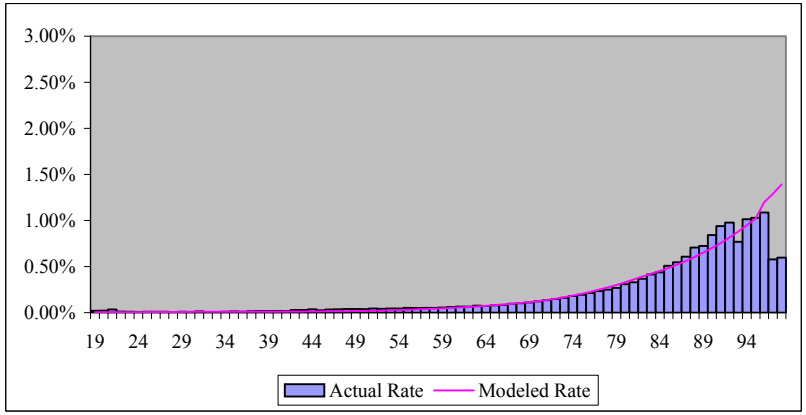
Comparison of Actual and Modeled Mortality Rates

Priority Level 7c

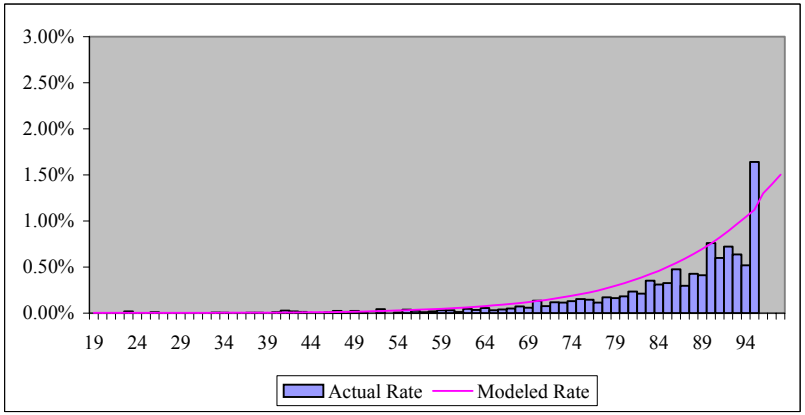
Male, Enrollee Type 1



Male, Enrollee Type 2/3



Female, Enrollee Type 1



Female, Enrollee Type 2/3

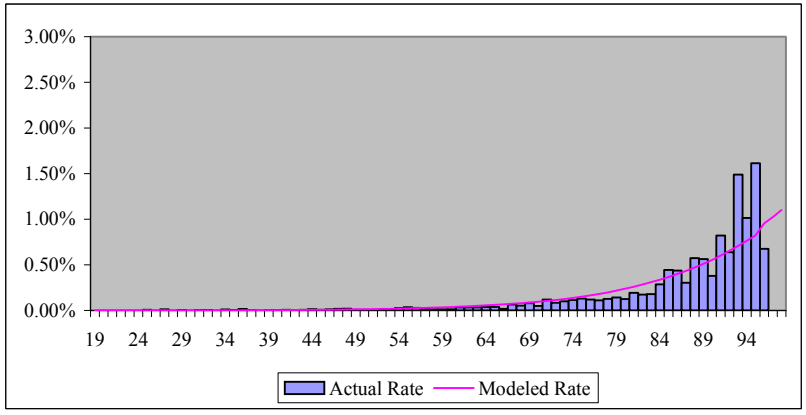


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Exhibit II-8-6
Monthly Mortality Tables

	Priority Level 1				Priority Level 2			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
Age	Male	Female	Male	Female	Male	Female	Male	Female
18	0.001103	0.000441	0.000761	0.000304	0.000399	0.000159	0.000273	0.000109
19	0.001041	0.000317	0.000719	0.000219	0.000376	0.000115	0.000258	0.000079
20	0.000979	0.000225	0.000675	0.000155	0.000357	0.000082	0.000245	0.000056
21	0.000911	0.000160	0.000628	0.000110	0.000336	0.000059	0.000230	0.000040
22	0.000850	0.000126	0.000587	0.000087	0.000317	0.000047	0.000217	0.000032
23	0.000727	0.000126	0.000502	0.000087	0.000273	0.000047	0.000187	0.000032
24	0.000621	0.000136	0.000429	0.000094	0.000236	0.000052	0.000162	0.000035
25	0.000532	0.000149	0.000367	0.000103	0.000204	0.000057	0.000140	0.000039
26	0.000454	0.000162	0.000313	0.000112	0.000176	0.000063	0.000121	0.000043
27	0.000388	0.000179	0.000268	0.000123	0.000152	0.000070	0.000104	0.000048
28	0.000419	0.000191	0.000289	0.000132	0.000166	0.000076	0.000114	0.000052
29	0.000450	0.000205	0.000311	0.000141	0.000180	0.000082	0.000123	0.000056
30	0.000485	0.000219	0.000335	0.000151	0.000196	0.000088	0.000134	0.000061
31	0.000521	0.000234	0.000359	0.000161	0.000213	0.000096	0.000146	0.000065
32	0.000559	0.000251	0.000386	0.000173	0.000231	0.000104	0.000158	0.000071
33	0.000589	0.000273	0.000407	0.000188	0.000246	0.000114	0.000169	0.000078
34	0.000619	0.000298	0.000427	0.000206	0.000261	0.000126	0.000179	0.000086
35	0.000651	0.000324	0.000449	0.000224	0.000278	0.000139	0.000191	0.000095
36	0.000684	0.000354	0.000472	0.000244	0.000296	0.000153	0.000203	0.000105
37	0.000720	0.000386	0.000497	0.000267	0.000315	0.000169	0.000216	0.000116
38	0.000735	0.000407	0.000507	0.000281	0.000325	0.000180	0.000223	0.000123
39	0.000752	0.000427	0.000519	0.000295	0.000337	0.000191	0.000231	0.000131
40	0.000766	0.000449	0.000528	0.000309	0.000347	0.000203	0.000238	0.000139
41	0.000783	0.000471	0.000540	0.000325	0.000359	0.000216	0.000246	0.000148
42	0.000799	0.000494	0.000551	0.000341	0.000371	0.000230	0.000254	0.000157
43	0.000843	0.000502	0.000582	0.000346	0.000396	0.000236	0.000272	0.000162
44	0.000892	0.000509	0.000615	0.000351	0.000424	0.000242	0.000291	0.000166
45	0.000942	0.000514	0.000650	0.000355	0.000454	0.000248	0.000311	0.000170
46	0.000994	0.000522	0.000686	0.000360	0.000485	0.000255	0.000332	0.000175
47	0.001050	0.000528	0.000725	0.000365	0.000520	0.000261	0.000356	0.000179
48	0.001099	0.000577	0.000758	0.000398	0.000551	0.000289	0.000377	0.000198
49	0.001150	0.000629	0.000794	0.000434	0.000585	0.000320	0.000401	0.000219
50	0.001205	0.000687	0.000831	0.000474	0.000621	0.000354	0.000425	0.000243
51	0.001261	0.000750	0.000870	0.000518	0.000658	0.000392	0.000451	0.000268
52	0.001320	0.000820	0.000911	0.000566	0.000699	0.000434	0.000479	0.000297
53	0.001406	0.000891	0.000970	0.000615	0.000755	0.000479	0.000518	0.000328
54	0.001500	0.000971	0.001035	0.000670	0.000817	0.000529	0.000560	0.000363
55	0.001597	0.001057	0.001102	0.000729	0.000883	0.000585	0.000605	0.000401
56	0.001703	0.001152	0.001175	0.000795	0.000956	0.000646	0.000655	0.000443
57	0.001813	0.001253	0.001251	0.000864	0.001033	0.000714	0.000708	0.000489
58	0.001927	0.001341	0.001330	0.000925	0.001115	0.000775	0.000764	0.000531
59	0.002050	0.001433	0.001415	0.000989	0.001205	0.000842	0.000825	0.000577
60	0.002179	0.001531	0.001504	0.001056	0.001301	0.000914	0.000891	0.000626

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Exhibit II-8-6 (cont.)

	Priority Level 1				Priority Level 2			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
Age	Male	Female	Male	Female	Male	Female	Male	Female
61	0.002315	0.001637	0.001598	0.001129	0.001404	0.000993	0.000962	0.000680
62	0.002460	0.001749	0.001698	0.001207	0.001517	0.001078	0.001039	0.000739
63	0.002626	0.001811	0.001812	0.001250	0.001645	0.001135	0.001127	0.000778
64	0.002801	0.001893	0.001933	0.001306	0.001785	0.001206	0.001223	0.000827
65	0.002989	0.002045	0.002063	0.001411	0.001938	0.001326	0.001328	0.000908
66	0.003187	0.002202	0.002199	0.001519	0.002103	0.001452	0.001441	0.000995
67	0.003399	0.002360	0.002345	0.001628	0.002282	0.001584	0.001564	0.001086
68	0.003593	0.002533	0.002479	0.001748	0.002456	0.001732	0.001683	0.001187
69	0.003796	0.002712	0.002619	0.001872	0.002643	0.001889	0.001811	0.001294
70	0.004010	0.002911	0.002767	0.002009	0.002845	0.002066	0.001950	0.001415
71	0.004235	0.003134	0.002923	0.002163	0.003063	0.002266	0.002099	0.001553
72	0.004472	0.003368	0.003086	0.002324	0.003297	0.002483	0.002259	0.001701
73	0.004772	0.003625	0.003293	0.002502	0.003588	0.002726	0.002459	0.001868
74	0.005186	0.003886	0.003579	0.002682	0.003980	0.002982	0.002727	0.002043
75	0.005627	0.004171	0.003883	0.002878	0.004408	0.003267	0.003020	0.002239
76	0.006088	0.004464	0.004201	0.003081	0.004871	0.003572	0.003337	0.002447
77	0.006566	0.004777	0.004531	0.003297	0.005367	0.003905	0.003678	0.002676
78	0.007061	0.005130	0.004872	0.003540	0.005900	0.004287	0.004043	0.002937
79	0.007580	0.005510	0.005231	0.003802	0.006478	0.004709	0.004439	0.003227
80	0.008128	0.005903	0.005609	0.004073	0.007108	0.005162	0.004870	0.003537
81	0.008692	0.006313	0.005998	0.004356	0.007782	0.005652	0.005332	0.003872
82	0.009233	0.006727	0.006371	0.004642	0.008468	0.006170	0.005802	0.004227
83	0.009717	0.007156	0.006705	0.004938	0.009134	0.006727	0.006259	0.004609
84	0.010167	0.007587	0.007016	0.005235	0.009803	0.007315	0.006717	0.005012
85	0.010901	0.008257	0.007522	0.005698	0.010510	0.007961	0.007201	0.005455
86	0.011701	0.008979	0.008074	0.006196	0.011282	0.008658	0.007730	0.005932
87	0.012579	0.009749	0.008680	0.006727	0.012128	0.009399	0.008310	0.006440
88	0.013535	0.010553	0.009340	0.007283	0.013050	0.010175	0.008942	0.006972
89	0.014639	0.011419	0.010102	0.007880	0.014114	0.011010	0.009671	0.007544
90	0.015926	0.012380	0.010990	0.008543	0.015355	0.011937	0.010521	0.008179
91	0.017338	0.013451	0.011964	0.009282	0.016716	0.012969	0.011454	0.008886
92	0.018889	0.014649	0.013035	0.010108	0.018212	0.014123	0.012479	0.009677
93	0.020291	0.016120	0.014002	0.011123	0.019564	0.015542	0.013405	0.010649
94	0.021810	0.017753	0.015050	0.012251	0.021028	0.017117	0.014408	0.011728
95	0.023458	0.019571	0.016187	0.013505	0.022617	0.018870	0.015497	0.012930
96	0.026734	0.021628	0.018448	0.014924	0.025776	0.020852	0.017662	0.014288
97	0.028820	0.023875	0.019887	0.016475	0.027786	0.023019	0.019039	0.015773
98	0.031070	0.025283	0.021440	0.017447	0.029956	0.024377	0.020526	0.016703
99	0.032811	0.026792	0.022642	0.018488	0.031635	0.025832	0.021676	0.017700
100	0.034658	0.028359	0.023916	0.019569	0.033415	0.027342	0.022896	0.018735

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Exhibit II-8-6 (cont.)

Monthly Mortality Tables

	Priority Level 3				Priority Level 4			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
Age	Male	Female	Male	Female	Male	Female	Male	Female
18	0.000385	0.000154	0.000258	0.000103	0.000548	0.000272	0.000442	0.000220
19	0.000363	0.000111	0.000244	0.000074	0.000548	0.000285	0.000442	0.000230
20	0.000344	0.000079	0.000231	0.000053	0.000548	0.000298	0.000442	0.000241
21	0.000324	0.000057	0.000217	0.000038	0.000548	0.000312	0.000442	0.000252
22	0.000305	0.000045	0.000205	0.000030	0.000548	0.000327	0.000442	0.000264
23	0.000264	0.000046	0.000177	0.000031	0.000601	0.000355	0.000485	0.000286
24	0.000227	0.000050	0.000153	0.000033	0.000660	0.000385	0.000532	0.000311
25	0.000197	0.000055	0.000132	0.000037	0.000725	0.000418	0.000584	0.000337
26	0.000170	0.000061	0.000114	0.000041	0.000795	0.000454	0.000642	0.000366
27	0.000147	0.000068	0.000098	0.000045	0.000874	0.000492	0.000705	0.000397
28	0.000160	0.000073	0.000107	0.000049	0.000909	0.000492	0.000733	0.000397
29	0.000174	0.000079	0.000117	0.000053	0.000946	0.000492	0.000763	0.000397
30	0.000189	0.000085	0.000127	0.000057	0.000984	0.000492	0.000794	0.000397
31	0.000205	0.000092	0.000138	0.000062	0.001024	0.000492	0.000826	0.000397
32	0.000223	0.000100	0.000150	0.000067	0.001066	0.000492	0.000860	0.000397
33	0.000237	0.000110	0.000159	0.000074	0.001048	0.000492	0.000846	0.000397
34	0.000252	0.000121	0.000169	0.000081	0.001031	0.000492	0.000832	0.000397
35	0.000268	0.000134	0.000180	0.000090	0.001014	0.000492	0.000818	0.000397
36	0.000285	0.000147	0.000191	0.000099	0.001163	0.000575	0.000938	0.000463
37	0.000304	0.000163	0.000204	0.000109	0.001307	0.000657	0.001055	0.000530
38	0.000314	0.000174	0.000211	0.000117	0.001427	0.000739	0.001151	0.000596
39	0.000324	0.000184	0.000218	0.000124	0.001538	0.000821	0.001240	0.000662
40	0.000334	0.000196	0.000225	0.000131	0.001641	0.000903	0.001323	0.000728
41	0.000346	0.000208	0.000232	0.000140	0.001736	0.000985	0.001401	0.000794
42	0.000358	0.000221	0.000240	0.000149	0.001825	0.001067	0.001472	0.000861
43	0.000382	0.000227	0.000257	0.000153	0.001996	0.001150	0.001610	0.000928
44	0.000409	0.000234	0.000275	0.000157	0.002172	0.001233	0.001752	0.000994
45	0.000438	0.000239	0.000294	0.000160	0.002353	0.001316	0.001898	0.001062
46	0.000468	0.000246	0.000314	0.000165	0.002539	0.001400	0.002048	0.001129
47	0.000501	0.000252	0.000336	0.000169	0.002731	0.001483	0.002203	0.001197
48	0.000531	0.000279	0.000357	0.000187	0.002964	0.001642	0.002391	0.001325
49	0.000564	0.000308	0.000378	0.000207	0.003208	0.001814	0.002588	0.001463
50	0.000598	0.000341	0.000402	0.000229	0.003465	0.001998	0.002795	0.001612
51	0.000635	0.000378	0.000426	0.000253	0.003733	0.002197	0.003011	0.001772
52	0.000674	0.000418	0.000453	0.000281	0.004014	0.002410	0.003238	0.001944
53	0.000728	0.000462	0.000489	0.000310	0.004357	0.002363	0.003514	0.001906
54	0.000788	0.000510	0.000529	0.000343	0.004721	0.002312	0.003808	0.001865
55	0.000851	0.000564	0.000572	0.000378	0.005108	0.002260	0.004120	0.001823
56	0.000921	0.000623	0.000618	0.000418	0.005519	0.002204	0.004452	0.001778
57	0.000996	0.000688	0.000668	0.000462	0.005953	0.002149	0.004802	0.001733
58	0.001075	0.000748	0.000722	0.000502	0.006319	0.002559	0.005097	0.002064
59	0.001161	0.000812	0.000780	0.000545	0.006698	0.003044	0.005403	0.002456
60	0.001254	0.000881	0.000842	0.000591	0.007093	0.003620	0.005722	0.002920

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Exhibit II-8-6 (cont.)

	Priority Level 3				Priority Level 4			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
	Male	Female	Male	Female	Male	Female	Male	Female
61	0.001354	0.000957	0.000909	0.000642	0.007503	0.004301	0.006052	0.003469
62	0.001462	0.001039	0.000982	0.000698	0.007929	0.005106	0.006396	0.004119
63	0.001586	0.001094	0.001065	0.000735	0.008467	0.005491	0.006830	0.004429
64	0.001721	0.001163	0.001155	0.000781	0.009034	0.005899	0.007287	0.004758
65	0.001868	0.001278	0.001254	0.000858	0.009633	0.006334	0.007770	0.005109
66	0.002027	0.001400	0.001361	0.000940	0.009885	0.006548	0.007973	0.005282
67	0.002200	0.001527	0.001477	0.001025	0.010153	0.006770	0.008189	0.005461
68	0.002368	0.001670	0.001590	0.001121	0.010491	0.006998	0.008462	0.005645
69	0.002548	0.001821	0.001711	0.001222	0.010839	0.007233	0.008743	0.005835
70	0.002743	0.001991	0.001841	0.001337	0.011199	0.007477	0.009034	0.006031
71	0.002953	0.002185	0.001982	0.001467	0.011572	0.007728	0.009334	0.006233
72	0.003179	0.002394	0.002134	0.001607	0.011955	0.007987	0.009643	0.006442
73	0.003459	0.002628	0.002322	0.001764	0.012445	0.008405	0.010039	0.006780
74	0.003837	0.002875	0.002576	0.001930	0.012957	0.008846	0.010451	0.007136
75	0.004249	0.003150	0.002853	0.002115	0.013488	0.009310	0.010880	0.007509
76	0.004695	0.003443	0.003152	0.002311	0.014042	0.009797	0.011327	0.007903
77	0.005174	0.003765	0.003474	0.002527	0.014620	0.010313	0.011793	0.008319
78	0.005688	0.004133	0.003818	0.002774	0.015339	0.011035	0.012373	0.008901
79	0.006245	0.004540	0.004192	0.003048	0.016096	0.011809	0.012983	0.009526
80	0.006852	0.004976	0.004600	0.003340	0.016891	0.012642	0.013625	0.010197
81	0.007502	0.005448	0.005036	0.003657	0.017729	0.013536	0.014301	0.010918
82	0.008163	0.005948	0.005480	0.003993	0.018610	0.014495	0.015012	0.011692
83	0.008806	0.006485	0.005911	0.004353	0.019304	0.015317	0.015571	0.012355
84	0.009450	0.007051	0.006344	0.004734	0.020023	0.016188	0.016151	0.013058
85	0.010132	0.007675	0.006802	0.005152	0.020772	0.017112	0.016755	0.013803
86	0.010876	0.008346	0.007301	0.005603	0.021551	0.018092	0.017383	0.014594
87	0.011691	0.009061	0.007849	0.006083	0.022359	0.019134	0.018036	0.015434
88	0.012580	0.009809	0.008445	0.006585	0.023540	0.019871	0.018988	0.016028
89	0.013606	0.010614	0.009134	0.007125	0.024789	0.020636	0.019996	0.016646
90	0.014803	0.011507	0.009937	0.007725	0.026116	0.021434	0.021066	0.017289
91	0.016115	0.012503	0.010818	0.008393	0.027523	0.022265	0.022201	0.017959
92	0.017557	0.013615	0.011786	0.009140	0.029019	0.023132	0.023407	0.018659
93	0.018860	0.014982	0.012661	0.010058	0.030121	0.024814	0.024297	0.020016
94	0.020272	0.016501	0.013609	0.011077	0.031272	0.026639	0.025225	0.021488
95	0.021803	0.018191	0.014637	0.012212	0.032478	0.028622	0.026197	0.023087
96	0.024849	0.020102	0.016681	0.013495	0.033737	0.030782	0.027213	0.024830
97	0.026787	0.022191	0.017982	0.014897	0.035057	0.033140	0.028278	0.026732
98	0.028879	0.023500	0.019387	0.015776	0.037965	0.034482	0.030624	0.027814
99	0.030497	0.024902	0.020473	0.016718	0.041185	0.035892	0.033221	0.028951
100	0.032213	0.026358	0.021625	0.017695	0.044771	0.037308	0.036114	0.030094

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Exhibit II-8-6 (cont.)

Monthly Mortality Tables

	Priority Level 5				Priority Level 6			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
Age	Male	Female	Male	Female	Male	Female	Male	Female
18	0.000925	0.000757	0.000706	0.000578	0.000112	0.000068	0.000058	0.000036
19	0.000463	0.000379	0.000354	0.000289	0.000123	0.000058	0.000064	0.000030
20	0.000270	0.000165	0.000206	0.000126	0.000128	0.000060	0.000067	0.000031
21	0.000155	0.000086	0.000119	0.000066	0.000136	0.000060	0.000071	0.000031
22	0.000121	0.000061	0.000092	0.000046	0.000143	0.000054	0.000074	0.000028
23	0.000111	0.000051	0.000085	0.000039	0.000150	0.000049	0.000078	0.000025
24	0.000101	0.000043	0.000077	0.000033	0.000153	0.000046	0.000080	0.000024
25	0.000088	0.000036	0.000067	0.000027	0.000159	0.000047	0.000083	0.000025
26	0.000090	0.000036	0.000069	0.000028	0.000161	0.000055	0.000084	0.000029
27	0.000102	0.000041	0.000078	0.000031	0.000174	0.000053	0.000091	0.000028
28	0.000114	0.000045	0.000087	0.000034	0.000187	0.000056	0.000098	0.000029
29	0.000127	0.000048	0.000097	0.000037	0.000204	0.000055	0.000106	0.000029
30	0.000141	0.000049	0.000108	0.000037	0.000221	0.000054	0.000115	0.000028
31	0.000156	0.000048	0.000119	0.000037	0.000234	0.000058	0.000122	0.000030
32	0.000183	0.000051	0.000140	0.000039	0.000250	0.000057	0.000130	0.000030
33	0.000210	0.000056	0.000160	0.000043	0.000260	0.000061	0.000136	0.000032
34	0.000240	0.000064	0.000183	0.000049	0.000267	0.000067	0.000139	0.000035
35	0.000270	0.000072	0.000206	0.000055	0.000276	0.000073	0.000144	0.000038
36	0.000304	0.000084	0.000232	0.000064	0.000277	0.000086	0.000144	0.000045
37	0.000341	0.000098	0.000261	0.000075	0.000289	0.000090	0.000150	0.000047
38	0.000382	0.000121	0.000292	0.000093	0.000293	0.000098	0.000153	0.000051
39	0.000427	0.000140	0.000326	0.000107	0.000295	0.000103	0.000153	0.000054
40	0.000472	0.000163	0.000361	0.000124	0.000296	0.000112	0.000154	0.000058
41	0.000530	0.000195	0.000405	0.000149	0.000299	0.000122	0.000156	0.000063
42	0.000589	0.000230	0.000450	0.000175	0.000306	0.000135	0.000159	0.000070
43	0.000652	0.000272	0.000498	0.000207	0.000323	0.000151	0.000168	0.000079
44	0.000716	0.000316	0.000547	0.000242	0.000335	0.000167	0.000174	0.000087
45	0.000781	0.000368	0.000596	0.000281	0.000351	0.000184	0.000183	0.000096
46	0.000846	0.000423	0.000646	0.000323	0.000371	0.000207	0.000193	0.000108
47	0.000911	0.000481	0.000695	0.000367	0.000394	0.000233	0.000205	0.000121
48	0.000976	0.000548	0.000745	0.000419	0.000421	0.000266	0.000219	0.000139
49	0.001041	0.000622	0.000795	0.000475	0.000452	0.000304	0.000235	0.000158
50	0.001106	0.000705	0.000844	0.000538	0.000488	0.000345	0.000254	0.000180
51	0.001172	0.000794	0.000895	0.000606	0.000535	0.000393	0.000278	0.000205
52	0.001240	0.000888	0.000947	0.000678	0.000596	0.000444	0.000310	0.000231
53	0.001310	0.000973	0.001000	0.000742	0.000669	0.000500	0.000348	0.000260
54	0.001392	0.001042	0.001062	0.000796	0.000750	0.000559	0.000390	0.000291
55	0.001476	0.001108	0.001127	0.000846	0.000838	0.000623	0.000436	0.000324
56	0.001560	0.001168	0.001191	0.000891	0.000932	0.000693	0.000486	0.000361
57	0.001644	0.001228	0.001255	0.000937	0.001035	0.000769	0.000539	0.000400
58	0.001733	0.001293	0.001323	0.000987	0.001145	0.000847	0.000596	0.000441
59	0.001825	0.001359	0.001393	0.001038	0.001263	0.000932	0.000658	0.000485
60	0.001924	0.001428	0.001468	0.001090	0.001392	0.001023	0.000725	0.000533

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Exhibit II-8-6 (cont.)

	Priority Level 5				Priority Level 6			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
	Male	Female	Male	Female	Male	Female	Male	Female
61	0.002024	0.001497	0.001545	0.001143	0.001530	0.001123	0.000797	0.000585
62	0.002131	0.001571	0.001627	0.001199	0.001679	0.001236	0.000874	0.000643
63	0.002240	0.001650	0.001710	0.001260	0.001838	0.001365	0.000957	0.000711
64	0.002350	0.001736	0.001794	0.001325	0.002008	0.001510	0.001046	0.000786
65	0.002462	0.001835	0.001879	0.001401	0.002188	0.001659	0.001139	0.000864
66	0.002579	0.001946	0.001969	0.001486	0.002381	0.001818	0.001240	0.000947
67	0.002701	0.002057	0.002062	0.001570	0.002590	0.001985	0.001349	0.001034
68	0.002827	0.002169	0.002158	0.001656	0.002821	0.002168	0.001469	0.001129
69	0.002987	0.002300	0.002280	0.001756	0.003078	0.002363	0.001603	0.001230
70	0.003172	0.002452	0.002421	0.001871	0.003363	0.002584	0.001752	0.001346
71	0.003380	0.002612	0.002580	0.001994	0.003689	0.002835	0.001921	0.001477
72	0.003621	0.002801	0.002764	0.002138	0.004067	0.003108	0.002118	0.001618
73	0.003870	0.002995	0.002954	0.002287	0.004502	0.003407	0.002344	0.001774
74	0.004127	0.003175	0.003150	0.002424	0.004993	0.003721	0.002600	0.001938
75	0.004388	0.003352	0.003349	0.002559	0.005525	0.004071	0.002877	0.002120
76	0.004652	0.003509	0.003551	0.002679	0.006103	0.004449	0.003179	0.002317
77	0.004918	0.003674	0.003754	0.002805	0.006722	0.004861	0.003501	0.002532
78	0.005192	0.003841	0.003964	0.002932	0.007374	0.005341	0.003840	0.002782
79	0.005479	0.004026	0.004182	0.003073	0.008099	0.005864	0.004218	0.003054
80	0.005807	0.004260	0.004433	0.003252	0.008887	0.006425	0.004628	0.003346
81	0.006187	0.004547	0.004723	0.003471	0.009735	0.007040	0.005070	0.003666
82	0.006610	0.004858	0.005046	0.003709	0.010599	0.007679	0.005520	0.003999
83	0.007097	0.005222	0.005417	0.003986	0.011427	0.008377	0.005951	0.004363
84	0.007631	0.005643	0.005825	0.004307	0.012260	0.009088	0.006385	0.004733
85	0.008216	0.006140	0.006272	0.004687	0.013146	0.009926	0.006846	0.005169
86	0.008830	0.006693	0.006740	0.005109	0.014113	0.010802	0.007350	0.005626
87	0.009446	0.007264	0.007211	0.005545	0.015173	0.011738	0.007902	0.006113
88	0.010066	0.007845	0.007684	0.005988	0.016333	0.012724	0.008506	0.006627
89	0.010689	0.008417	0.008160	0.006425	0.017598	0.013784	0.009165	0.007179
90	0.011318	0.008973	0.008640	0.006850	0.018962	0.014959	0.009875	0.007791
91	0.011957	0.009533	0.009127	0.007277	0.020424	0.016268	0.010637	0.008472
92	0.012611	0.010129	0.009626	0.007732	0.022010	0.017676	0.011463	0.009206
93	0.013293	0.010782	0.010147	0.008230	0.023749	0.019140	0.012369	0.009968
94	0.014043	0.011488	0.010719	0.008769	0.025636	0.020648	0.013351	0.010754
95	0.014989	0.012317	0.011441	0.009402	0.027604	0.022228	0.014376	0.011577
96	0.016208	0.013330	0.012372	0.010175	0.032363	0.025764	0.016855	0.013418
97	0.017630	0.014519	0.013457	0.011083	0.034887	0.027691	0.018169	0.014421
98	0.019356	0.015837	0.014775	0.012089	0.037612	0.029769	0.019588	0.015504
99	0.021388	0.017499	0.016326	0.013358	0.039720	0.031392	0.020686	0.016349
100	0.023825	0.019494	0.018187	0.014880	0.041955	0.033055	0.021850	0.017215

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Exhibit II-8-6 (cont.)

Monthly Mortality Tables

	Priority Level 7a				Priority Level 7c			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
Age	Male	Female	Male	Female	Male	Female	Male	Female
18	0.000060	0.000037	0.000042	0.000026	0.000057	0.000034	0.000041	0.000025
19	0.000066	0.000031	0.000046	0.000022	0.000062	0.000029	0.000045	0.000021
20	0.000069	0.000032	0.000048	0.000023	0.000065	0.000030	0.000047	0.000022
21	0.000073	0.000032	0.000051	0.000022	0.000069	0.000030	0.000050	0.000022
22	0.000076	0.000029	0.000054	0.000020	0.000072	0.000027	0.000053	0.000020
23	0.000080	0.000026	0.000056	0.000018	0.000076	0.000025	0.000055	0.000018
24	0.000082	0.000024	0.000058	0.000017	0.000077	0.000023	0.000057	0.000017
25	0.000085	0.000025	0.000060	0.000018	0.000080	0.000024	0.000059	0.000017
26	0.000086	0.000030	0.000061	0.000021	0.000081	0.000028	0.000060	0.000020
27	0.000093	0.000028	0.000065	0.000020	0.000088	0.000027	0.000064	0.000020
28	0.000100	0.000030	0.000070	0.000021	0.000095	0.000028	0.000069	0.000021
29	0.000109	0.000030	0.000077	0.000021	0.000103	0.000028	0.000076	0.000020
30	0.000119	0.000029	0.000083	0.000020	0.000112	0.000027	0.000082	0.000020
31	0.000125	0.000031	0.000088	0.000022	0.000118	0.000029	0.000086	0.000021
32	0.000134	0.000031	0.000094	0.000022	0.000126	0.000029	0.000093	0.000021
33	0.000140	0.000033	0.000098	0.000023	0.000131	0.000031	0.000096	0.000023
34	0.000143	0.000036	0.000101	0.000025	0.000135	0.000034	0.000099	0.000025
35	0.000148	0.000039	0.000104	0.000028	0.000139	0.000037	0.000102	0.000027
36	0.000149	0.000046	0.000104	0.000032	0.000140	0.000043	0.000103	0.000032
37	0.000155	0.000048	0.000109	0.000034	0.000146	0.000046	0.000107	0.000033
38	0.000157	0.000053	0.000110	0.000037	0.000148	0.000050	0.000108	0.000036
39	0.000158	0.000055	0.000111	0.000039	0.000149	0.000052	0.000109	0.000038
40	0.000159	0.000060	0.000111	0.000042	0.000149	0.000056	0.000110	0.000041
41	0.000161	0.000065	0.000113	0.000046	0.000151	0.000061	0.000111	0.000045
42	0.000164	0.000073	0.000115	0.000051	0.000154	0.000068	0.000113	0.000050
43	0.000173	0.000081	0.000121	0.000057	0.000163	0.000076	0.000119	0.000056
44	0.000180	0.000089	0.000126	0.000063	0.000169	0.000084	0.000124	0.000062
45	0.000188	0.000099	0.000132	0.000069	0.000177	0.000093	0.000130	0.000068
46	0.000199	0.000111	0.000140	0.000078	0.000187	0.000104	0.000137	0.000076
47	0.000211	0.000125	0.000148	0.000088	0.000199	0.000118	0.000146	0.000086
48	0.000226	0.000143	0.000158	0.000100	0.000213	0.000134	0.000156	0.000099
49	0.000242	0.000163	0.000170	0.000114	0.000228	0.000153	0.000167	0.000112
50	0.000261	0.000185	0.000183	0.000130	0.000246	0.000174	0.000180	0.000128
51	0.000287	0.000211	0.000201	0.000148	0.000270	0.000198	0.000198	0.000145
52	0.000320	0.000238	0.000224	0.000167	0.000301	0.000224	0.000221	0.000164
53	0.000358	0.000268	0.000251	0.000188	0.000338	0.000252	0.000247	0.000185
54	0.000402	0.000300	0.000282	0.000210	0.000378	0.000282	0.000277	0.000207
55	0.000449	0.000334	0.000315	0.000234	0.000423	0.000315	0.000310	0.000230
56	0.000500	0.000372	0.000351	0.000261	0.000471	0.000350	0.000345	0.000256
57	0.000555	0.000412	0.000389	0.000289	0.000523	0.000388	0.000383	0.000284
58	0.000614	0.000454	0.000431	0.000319	0.000578	0.000428	0.000424	0.000314
59	0.000677	0.000500	0.000475	0.000350	0.000638	0.000470	0.000467	0.000345
60	0.000746	0.000548	0.000523	0.000385	0.000703	0.000516	0.000515	0.000378

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Exhibit II-8-6 (cont.)

	Priority Level 7a				Priority Level 7c			
	Enroll Type 1		Enroll Type 2,3		Enroll Type 1		Enroll Type 2,3	
	Male	Female	Male	Female	Male	Female	Male	Female
61	0.000820	0.000602	0.000576	0.000422	0.000773	0.000567	0.000566	0.000415
62	0.000900	0.000662	0.000632	0.000465	0.000848	0.000624	0.000621	0.000457
63	0.000985	0.000732	0.000691	0.000513	0.000928	0.000689	0.000680	0.000505
64	0.001076	0.000809	0.000755	0.000568	0.001014	0.000762	0.000743	0.000559
65	0.001173	0.000890	0.000823	0.000624	0.001105	0.000838	0.000809	0.000614
66	0.001276	0.000975	0.000896	0.000684	0.001202	0.000918	0.000881	0.000673
67	0.001388	0.001064	0.000974	0.000747	0.001307	0.001002	0.000958	0.000734
68	0.001513	0.001162	0.001061	0.000815	0.001424	0.001094	0.001044	0.000802
69	0.001650	0.001267	0.001158	0.000889	0.001554	0.001193	0.001139	0.000874
70	0.001803	0.001385	0.001265	0.000972	0.001698	0.001304	0.001244	0.000956
71	0.001978	0.001520	0.001387	0.001066	0.001862	0.001431	0.001365	0.001049
72	0.002181	0.001666	0.001530	0.001169	0.002053	0.001569	0.001505	0.001150
73	0.002413	0.001826	0.001693	0.001281	0.002273	0.001720	0.001665	0.001260
74	0.002677	0.001995	0.001878	0.001400	0.002521	0.001879	0.001847	0.001377
75	0.002962	0.002183	0.002078	0.001531	0.002789	0.002055	0.002044	0.001506
76	0.003272	0.002385	0.002295	0.001673	0.003081	0.002246	0.002258	0.001646
77	0.003604	0.002606	0.002528	0.001828	0.003394	0.002454	0.002487	0.001798
78	0.003953	0.002864	0.002774	0.002009	0.003723	0.002696	0.002728	0.001976
79	0.004342	0.003144	0.003046	0.002205	0.004089	0.002960	0.002996	0.002169
80	0.004765	0.003445	0.003343	0.002417	0.004487	0.003244	0.003288	0.002377
81	0.005219	0.003774	0.003661	0.002648	0.004914	0.003554	0.003601	0.002604
82	0.005682	0.004117	0.003986	0.002888	0.005351	0.003877	0.003921	0.002841
83	0.006127	0.004491	0.004298	0.003151	0.005769	0.004229	0.004227	0.003099
84	0.006573	0.004872	0.004611	0.003418	0.006189	0.004588	0.004535	0.003362
85	0.007048	0.005322	0.004944	0.003733	0.006636	0.005011	0.004863	0.003672
86	0.007566	0.005791	0.005308	0.004063	0.007125	0.005453	0.005221	0.003996
87	0.008135	0.006293	0.005707	0.004415	0.007660	0.005925	0.005613	0.004342
88	0.008756	0.006822	0.006143	0.004786	0.008245	0.006424	0.006042	0.004707
89	0.009435	0.007390	0.006619	0.005184	0.008884	0.006958	0.006510	0.005099
90	0.010166	0.008020	0.007132	0.005626	0.009572	0.007552	0.007015	0.005534
91	0.010950	0.008722	0.007682	0.006119	0.010310	0.008212	0.007555	0.006018
92	0.011800	0.009476	0.008278	0.006648	0.011111	0.008923	0.008142	0.006539
93	0.012733	0.010261	0.008932	0.007199	0.011989	0.009662	0.008786	0.007080
94	0.013744	0.011070	0.009642	0.007766	0.012941	0.010424	0.009483	0.007638
95	0.014799	0.011917	0.010382	0.008360	0.013935	0.011221	0.010211	0.008223
96	0.017351	0.013813	0.012172	0.009690	0.016338	0.013006	0.011972	0.009531
97	0.018704	0.014846	0.013122	0.010415	0.017612	0.013979	0.012906	0.010244
98	0.020165	0.015960	0.014146	0.011197	0.018987	0.015028	0.013914	0.011012
99	0.021295	0.016830	0.014939	0.011807	0.020051	0.015848	0.014693	0.011613
100	0.022493	0.017722	0.015780	0.012432	0.021180	0.016687	0.015520	0.012228

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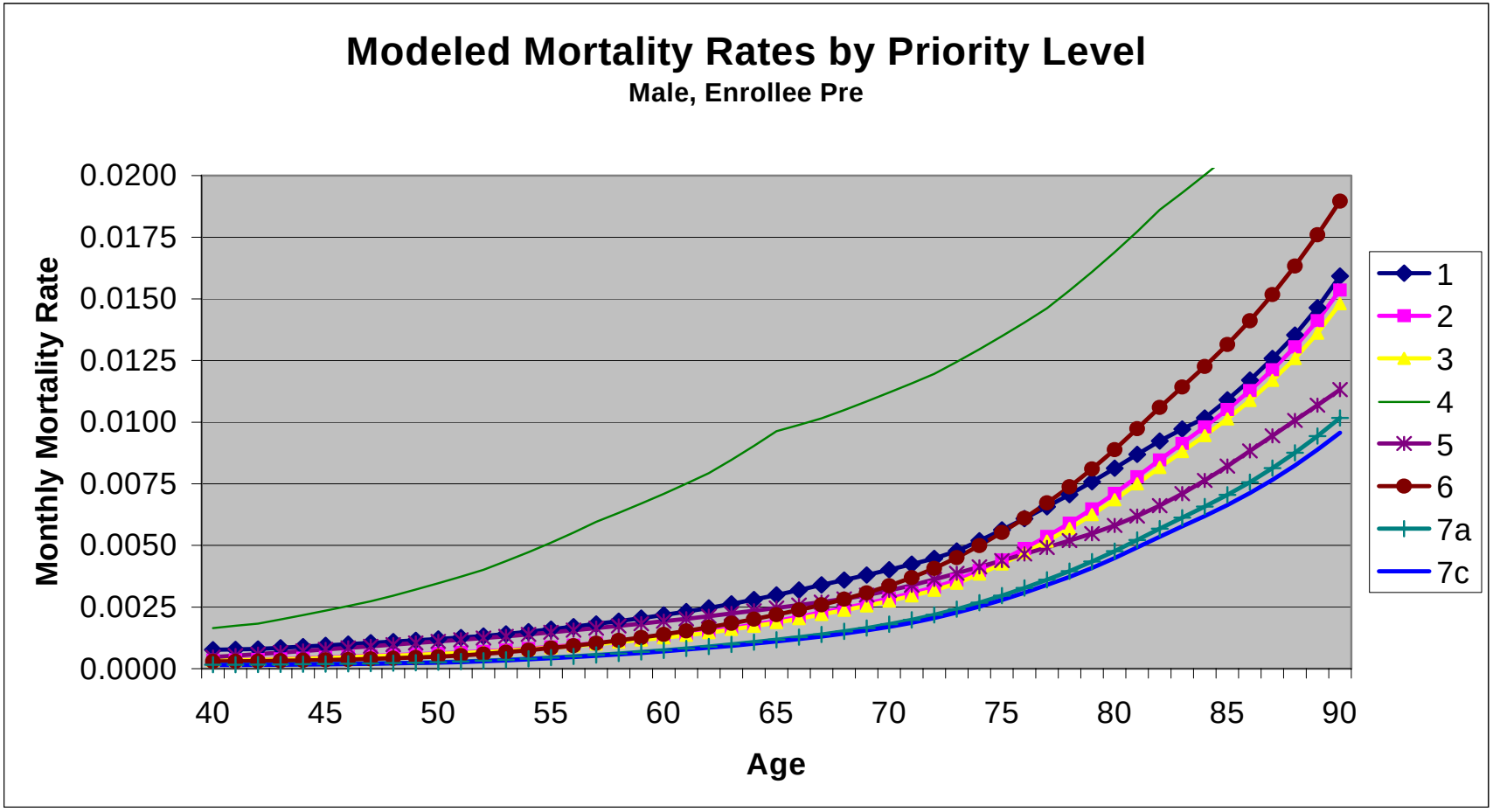
Exhibit II-8-6 (cont.)



Mortality rates for Priority Levels 1 through 3 are based on the VetPop Status 2 mortality rates, modified to more accurately reflect experience.
Mortality rates for Priority Level 4 are based on the VetPop Status 4 mortality rates, modified to more accurately reflect experience.
Mortality rates for Priority Level 5 are based on mortality tables created by Milliman using actual experience.
Mortality rates for Priority Levels 6 and 7 are based on the VetPop Status 1 mortality rates, modified to more accurately reflect experience.

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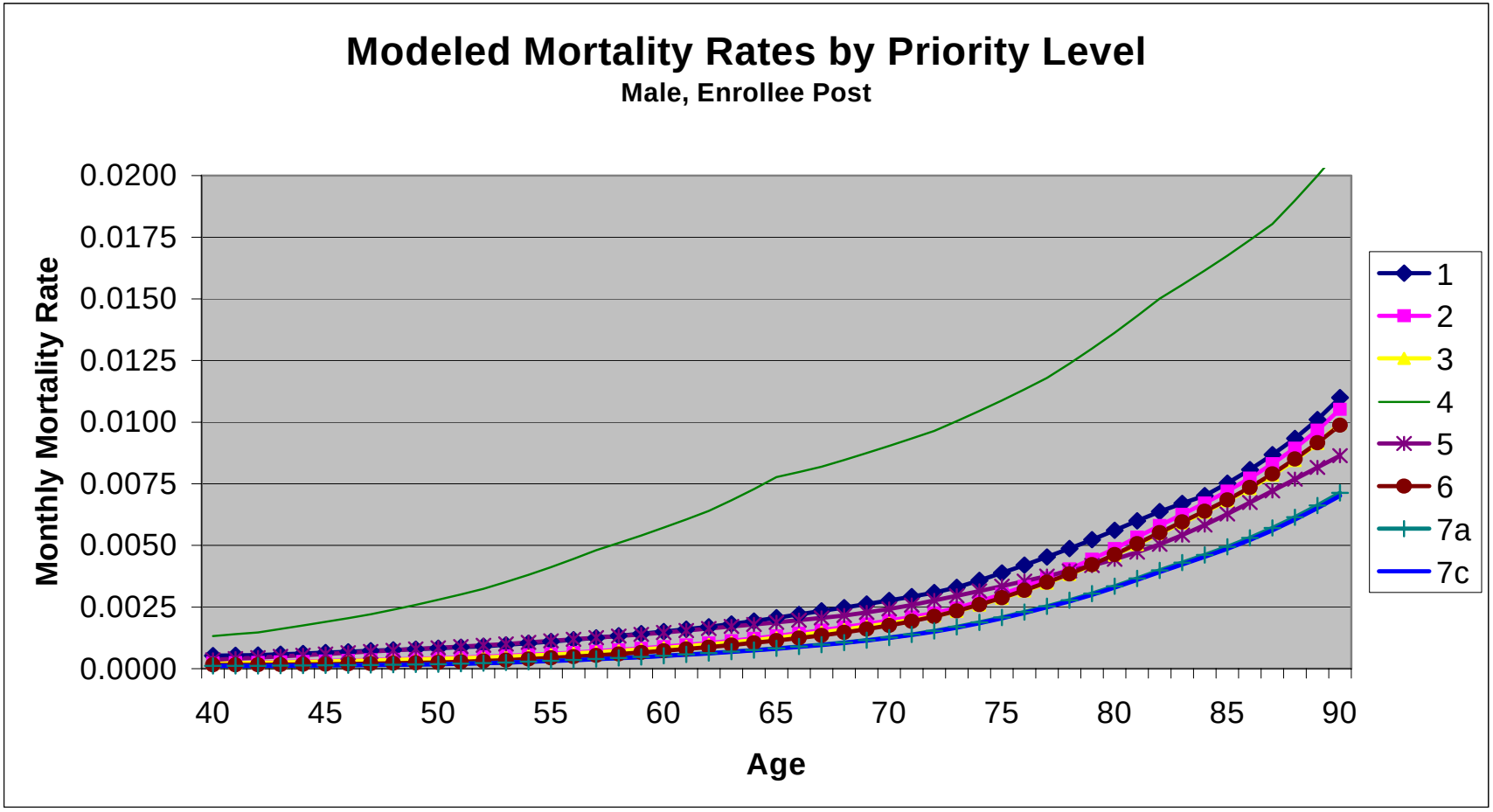

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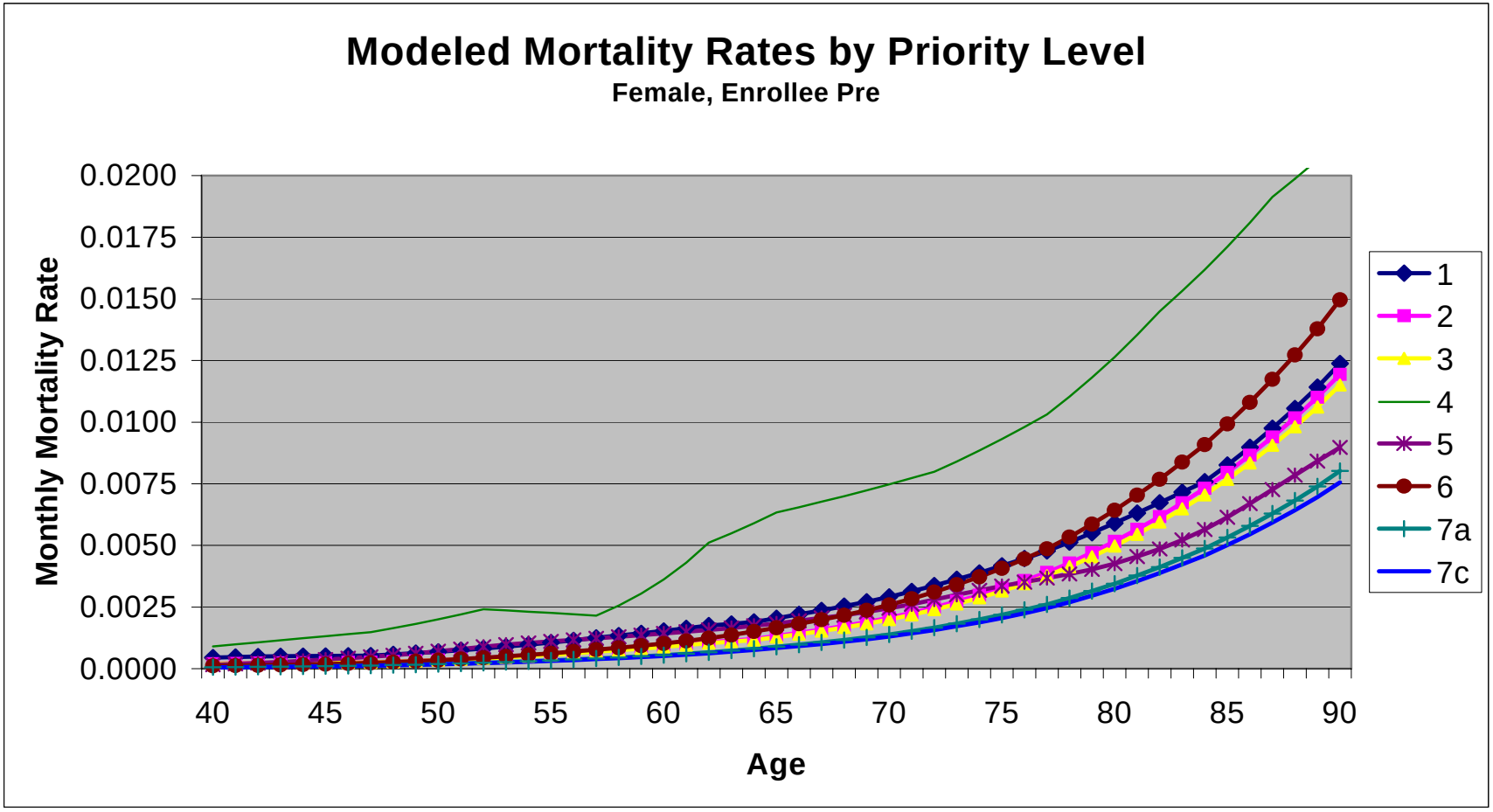

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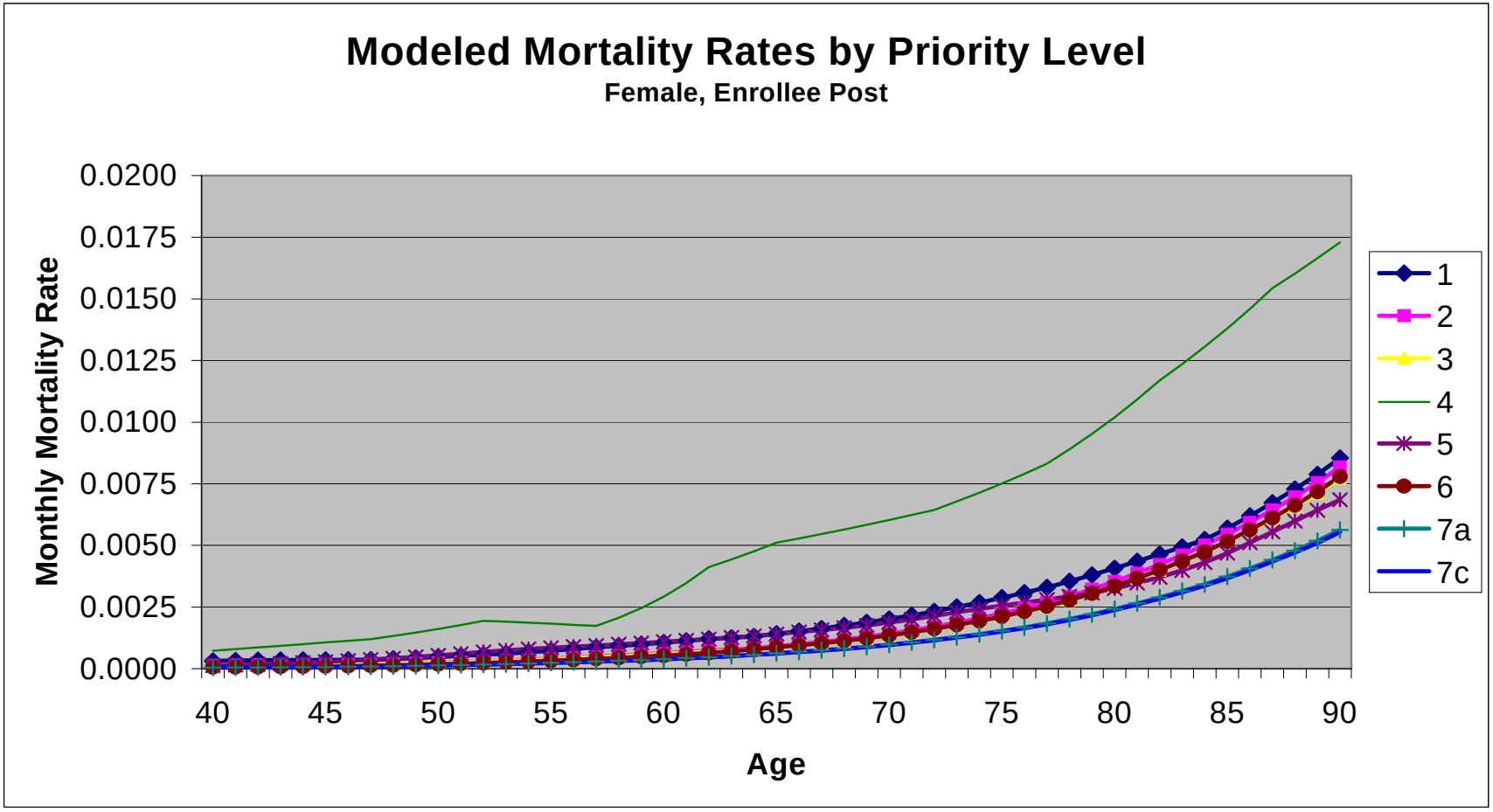

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Exhibit II-8-7
Comparison of Actual and Modeled P5 Mortality Rates

	Male, Enrollee Pre		Male, Enrollee Post		Female, Enrollee Pre		Female, Enrollee Post	
Age	Actual	Model	Actual	Model	Actual	Model	Actual	Model
19	0.000000	0.000462	0.000548	0.000353	0.000000	0.000378	0.000000	0.000289
20	0.000443	0.000270	0.000000	0.000206	0.000000	0.000164	0.000197	0.000125
21	0.000000	0.000155	0.000167	0.000118	0.000000	0.000086	0.000000	0.000066
22	0.000214	0.000121	0.000094	0.000092	0.000000	0.000061	0.000000	0.000046
23	0.000134	0.000111	0.000077	0.000084	0.000000	0.000050	0.000075	0.000039
24	0.000093	0.000100	0.000073	0.000077	0.000053	0.000043	0.000098	0.000033
25	0.000061	0.000088	0.000074	0.000067	0.000000	0.000036	0.000000	0.000027
26	0.000080	0.000090	0.000053	0.000069	0.000000	0.000036	0.000000	0.000028
27	0.000097	0.000101	0.000098	0.000077	0.000108	0.000041	0.000068	0.000031
28	0.000110	0.000114	0.000104	0.000087	0.000048	0.000045	0.000105	0.000034
29	0.000057	0.000127	0.000092	0.000097	0.000022	0.000048	0.000034	0.000037
30	0.000112	0.000141	0.000099	0.000108	0.000021	0.000048	0.000033	0.000037
31	0.000153	0.000156	0.000130	0.000119	0.000000	0.000048	0.000166	0.000037
32	0.000130	0.000182	0.000129	0.000139	0.000069	0.000051	0.000145	0.000039
33	0.000169	0.000210	0.000155	0.000160	0.000094	0.000056	0.000040	0.000043
34	0.000172	0.000239	0.000196	0.000183	0.000099	0.000063	0.000166	0.000048
35	0.000236	0.000270	0.000180	0.000206	0.000072	0.000072	0.000122	0.000055
36	0.000264	0.000303	0.000311	0.000231	0.000091	0.000084	0.000077	0.000064
37	0.000339	0.000341	0.000264	0.000260	0.000041	0.000098	0.000138	0.000075
38	0.000371	0.000381	0.000275	0.000291	0.000278	0.000121	0.000122	0.000092
39	0.000374	0.000426	0.000295	0.000325	0.000141	0.000140	0.000280	0.000107
40	0.000425	0.000471	0.000333	0.000360	0.000153	0.000162	0.000346	0.000124
41	0.000521	0.000529	0.000386	0.000404	0.000220	0.000194	0.000240	0.000148
42	0.000561	0.000588	0.000406	0.000449	0.000308	0.000229	0.000191	0.000175
43	0.000694	0.000651	0.000513	0.000497	0.000362	0.000271	0.000193	0.000207
44	0.000712	0.000715	0.000483	0.000546	0.000368	0.000316	0.000355	0.000241
45	0.000821	0.000780	0.000628	0.000595	0.000291	0.000368	0.000246	0.000281
46	0.000909	0.000845	0.000635	0.000645	0.000407	0.000422	0.000230	0.000322
47	0.000987	0.000909	0.000791	0.000694	0.000329	0.000480	0.000408	0.000367
48	0.001084	0.000974	0.000799	0.000744	0.000339	0.000547	0.000320	0.000418
49	0.001104	0.001039	0.000896	0.000793	0.000407	0.000621	0.000455	0.000474
50	0.001143	0.001104	0.000921	0.000843	0.000583	0.000704	0.000326	0.000537
51	0.001222	0.001170	0.000994	0.000893	0.000627	0.000792	0.000321	0.000605
52	0.001209	0.001238	0.001044	0.000945	0.000342	0.000887	0.000608	0.000677
53	0.001241	0.001308	0.001073	0.000999	0.000488	0.000971	0.000292	0.000741
54	0.001299	0.001389	0.001096	0.001060	0.000693	0.001040	0.000643	0.000794
55	0.001473	0.001473	0.001217	0.001125	0.000482	0.001106	0.000517	0.000845
56	0.001556	0.001557	0.001246	0.001189	0.000704	0.001165	0.000525	0.000890
57	0.001581	0.001641	0.001300	0.001253	0.000887	0.001225	0.000602	0.000936
58	0.001687	0.001730	0.001387	0.001321	0.000675	0.001291	0.000711	0.000985
59	0.001826	0.001822	0.001374	0.001391	0.000744	0.001357	0.000336	0.001036
60	0.001969	0.001920	0.001571	0.001466	0.001117	0.001425	0.000597	0.001088
61	0.002056	0.002021	0.001572	0.001543	0.000728	0.001494	0.000522	0.001141
62	0.002218	0.002127	0.001580	0.001624	0.001384	0.001568	0.000429	0.001197
63	0.002210	0.002235	0.001748	0.001707	0.001390	0.001647	0.000832	0.001258
64	0.002451	0.002346	0.001738	0.001791	0.001083	0.001733	0.000795	0.001323
65	0.002562	0.002457	0.001743	0.001876	0.001292	0.001832	0.000381	0.001399

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Exhibit II-8-7 (cont.)
Comparison of Actual and Modeled P5 Mortality Rates

	Male, Enrollee Pre		Male, Enrollee Post		Female, Enrollee Pre		Female, Enrollee Post	
Age	Actual	Model	Actual	Model	Actual	Model	Actual	Model
66	0.002579	0.002574	0.001811	0.001965	0.001653	0.001943	0.001510	0.001483
67	0.002727	0.002696	0.001935	0.002058	0.001771	0.002053	0.001002	0.001568
68	0.002880	0.002821	0.002032	0.002154	0.001669	0.002165	0.000882	0.001653
69	0.003068	0.002982	0.002156	0.002277	0.001269	0.002296	0.001247	0.001753
70	0.003316	0.003166	0.002473	0.002417	0.001751	0.002447	0.001056	0.001868
71	0.003582	0.003374	0.002496	0.002576	0.002105	0.002607	0.001746	0.001990
72	0.003861	0.003614	0.002679	0.002760	0.001953	0.002796	0.001480	0.002134
73	0.004046	0.003863	0.002879	0.002949	0.002562	0.002990	0.001421	0.002283
74	0.004178	0.004119	0.003043	0.003145	0.001975	0.003169	0.000827	0.002420
75	0.004410	0.004380	0.003300	0.003344	0.002741	0.003346	0.002090	0.002555
76	0.004623	0.004643	0.003502	0.003545	0.002534	0.003503	0.001785	0.002674
77	0.004911	0.004909	0.003763	0.003748	0.002633	0.003667	0.001810	0.002800
78	0.005198	0.005183	0.003849	0.003957	0.002561	0.003834	0.001818	0.002928
79	0.005517	0.005468	0.004188	0.004175	0.003131	0.004018	0.002338	0.003068
80	0.005779	0.005796	0.004478	0.004425	0.003074	0.004252	0.002468	0.003247
81	0.006075	0.006175	0.004797	0.004715	0.002883	0.004538	0.002826	0.003465
82	0.006508	0.006598	0.005286	0.005038	0.002800	0.004849	0.001967	0.003702
83	0.006757	0.007083	0.005713	0.005408	0.004168	0.005212	0.003661	0.003980
84	0.007627	0.007617	0.006121	0.005816	0.005566	0.005632	0.003243	0.004300
85	0.007681	0.008201	0.006774	0.006261	0.004563	0.006128	0.002128	0.004679
86	0.008511	0.008813	0.007393	0.006729	0.005050	0.006680	0.003506	0.005100
87	0.009132	0.009428	0.007918	0.007199	0.004866	0.007251	0.004797	0.005536
88	0.009556	0.010087	0.007989	0.007702	0.004419	0.007861	0.002812	0.006002
89	0.009740	0.010797	0.009628	0.008244	0.007299	0.008501	0.003532	0.006491
90	0.011093	0.011608	0.008892	0.008863	0.010441	0.009203	0.004030	0.007027
91	0.010880	0.012571	0.010571	0.009861	0.007827	0.010022	0.007136	0.007861
92	0.011917	0.013737	0.010428	0.011070	0.008264	0.011033	0.011521	0.008891
93	0.012169	0.015156	0.012768	0.012548	0.004158	0.012293	0.002020	0.010177
94	0.011676	0.016880	0.010546	0.014357	0.013889	0.013809	0.002475	0.011745
95	0.011678	0.018908	0.015381	0.016522	0.010178	0.015537	0.005236	0.013576
96	0.013674	0.021341	0.011450	0.019158	0.010309	0.017551	0.006623	0.015756
97	0.012971	0.024179	0.017797	0.022299	0.005780	0.019913	0.010870	0.018365
98	0.009116	0.027424	0.005754	0.025983	0.000000	0.022437	0.011111	0.021258

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Section III
Private Sector Based Utilization Benchmarks

Detailed estimates and future projections of the health care resource utilization by veteran enrollees are a central component of the VA Enrollee Health Care Projection Model. Utilization statistics within the model are expressed on an average annual rate per 1,000 enrollees basis. There are 37 separate hospital acute care inpatient and ambulatory (outpatient) service categories with private sector based utilization benchmarks. For acute care inpatient services, the utilization measure is the annual number of admissions and days per 1,000, for each type of stay. The number of days divided by the number of admits calculates the average length of stay for the type of stay. Ambulatory utilization reflects the annual number of services per 1,000, for each category of care.

The benchmarks were created separately for four age groups (Under Age 45, Ages 45–64, Ages 65–84, and Ages 85 and Over), as well as for veteran enrollee groups classified by Sector (as defined by their county of residence). Each enrollee group was further distinguished by Enrollee Type (Enrollee Pre and Enrollee Post) and Priority Level (PL 1-7). An Enrollee Pre is defined as an Enrollee who used VHA health care services at least once during FY 1996, FY 1997, or FY 1998 and enrolled during the first six months of enrollment (by April 1, 1999). An Enrollee Post is defined as all other veterans who have enrolled in the national veteran enrollment database. Overall, the utilization benchmarks were developed using a six-step process:

1. Develop private sector utilization averages for each sector locality for the services included in the VA Enrollee Health Care Projection Model.
2. Adjust private sector utilization for age (5-year age bands) and gender mix of the projected veteran Enrollees by Priority Level and Enrollee Type.
3. Modify the Age/Gender-adjusted utilization taking into account veteran enrollee morbidity.
4. Adjust the resulting utilization benchmarks for estimated veteran enrollee reliance on VHA for their health care needs.
5. Adjust the resulting utilization benchmarks to reflect the appropriate managed health care delivery system.
6. Apply an experience adjustment to the resulting benchmarks to reflect residual differences between modeled and actual historical utilization.

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The private sector population describes the population that is covered under some type of commercial insurance program for both the Under Age 45 and the Ages 45–64 populations or by Medicare for the Ages 65–84, and Ages 85 and Over population. Health care utilization patterns from these populations are appropriate as a starting point for veteran enrollee health care projections for several reasons. All veteran enrollees have health care benefits provided by VA, meaning that none of them are truly "uninsured." Also, the vast majority of the Ages 65 and Over veteran enrollees (like all Americans in this age group) qualify for Medicare. A significant proportion of the Under Age 65 veteran enrollee population also participates in a commercial insurance program. All of these factors mean that the utilization practices of veteran enrollees should exhibit behaviors that are closer to private sector insured populations as opposed to those without insurance.

The development of VA specific utilization rates for the VA Enrollee Health Care Projection Model from private sector benchmarks is described in the next four subsections. An outline of the subsections of Section III is as follows:

III-1: Starting Private Sector Utilization Averages, with Covered Benefits Package, Copay Levels, Area and Age/Gender Adjustments
III-2: Morbidity Adjustments
III-3: Reliance Adjustments
III-4: Degree of Community Management Adjustments

Each of these subsections describes, in detail, the adjustments used to project annual utilization rates per 1,000 veteran enrollees.

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Section III-1
Starting Private Sector Utilization Averages, with Covered Benefits Package, Copay Levels, Area, and Age/Gender Adjustments

Starting private sector annual utilization rates per 1,000 members are based on research contained in the Milliman *Health Cost Guidelines*™ (Guidelines). Under Age 65 utilization is representative of a commercially insured population with standard population demographics, nationwide average area characteristics and average health care benefit coverage. Ages 65 and Over utilization is representative of a nationwide average elderly population with Medicare coverage and additional benefits to fill Medicare gaps, such as prescription drug coverage.

The Milliman *Health Cost Guidelines*™ are developed as a result of Milliman's continuing research on health care utilization and costs. They were first developed in 1954 and have been updated and expanded annually since then. These Guidelines are continually monitored to ensure that they are as accurately as possible are measuring the experience or evaluating the rates of private sector carriers.

The Guidelines are a cooperative effort of all Milliman health actuaries and represent a combination of their experience, research, and judgment. An extensive amount of data is used in developing these Guidelines, including both published and unpublished data. In most instances, utilization and cost assumptions are based upon Milliman consultants' evaluation of several data sources and, hence, are not specifically attributable to a single source. Since these Guidelines are a proprietary document of Milliman, they are only made available for release to specific clients who meet a stringent set of criteria and lease the Guidelines and to Milliman consulting health actuaries.

Utilization statistics within the Guidelines are expressed on an average annual rate per 1,000 enrollees basis. Utilization is categorized by type of service, as well as the site of service, in many cases. The Guidelines have been organized into 37 separate and distinct hospital acute care inpatient and ambulatory (outpatient) service categories for use in the VA Enrollee Health Care Projection Model. For acute care inpatient services, the utilization measure is the annual number of admissions and days per 1,000, for each type of stay. The number of days divided by

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the number of admits calculates the average length of stay for the type of stay. Ambulatory utilization reflects the annual number of services per 1,000 members, for each category of care.

Copay Adjustments

The private sector based starting utilization levels for both Under and Over Ages 65 reflect a set level of cost sharing (copays) and benefit maximums. The purpose of the copay adjustments is to make modifications to utilization for services that have copays under VHA that differ from the copays levels reflected in the starting utilization. For example, assume that the private sector based starting utilization level for Physical Therapy is 500 visits per 1,000 enrollees per year based on a $20 per visit copay. A Priority Level 5 veteran receiving Physical Therapy from VHA pays no copay for these services. Consequently, he/she is likely to use more Physical Therapy services solely due to the lower copay level. This is accounted for in the copay adjustments step by adjusting the 500 visits per 1,000 enrollees by a factor of 1.20 to produce an estimated 600 visits per 1,000 enrollees (these numbers are for illustrative purposes only).

Copay schedules are unique for each Priority Level, and vary depending on whether the services provided are for a service-connected condition. Further, the copay level for prescription drugs changed as of February 1, 2002 and the ambulatory copay level changed as of December 1, 2001. Copay levels do not generally impact the utilization levels for services outside of Ambulatory and Prescriptions drugs. For purposes of this analysis, it was assumed that before December 1, 2001, Priority Levels 1 through 6 did not have ambulatory copays and Priority Level 7 had a $50.80 copay for select ambulatory encounters ($0 for all others). After December 1, 2001, Priority Level 7 copays changed to a tiered copay structure ($0-Preventive Care, $15- Primary Care, or $50- Specialty Care). For Priority Level 7 veterans, the $0/$50.80 copay utilization adjustments were used in the projections through November 30, 2001 and the $0/$15/$50 copay utilization adjustments were used thereafter. Consequently, FY 2002 projections incorporated a weighted average of both utilization adjustments based on the FY 2002 projected enrollee months before and after December 1, 2002.

As discussed in the Covered Benefits section, prescription drugs dispensed for NSC conditions before February 1, 2002 were subject to a $2 copay for Priority Levels 2 through 4 and 6 veterans. All Priority Level 7 veterans were subject to the $2 copay, as well as Priority Level 5 veterans who were above a certain income threshold, estimated at 45% of prescriptions. This

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estimate was developed by comparing the number of scripts dispensed to Priority level 5 veterans with the number of copays assessed to these veterans during a fiscal year. The number of scripts and copay assessment data was provided by VA and reflects actual Priority Level 5 experience. As of February 1, 2002 the prescription drug copay increased to $7. Therefore, the $2 copay utilization adjustments were used in projections through February 1, 2002 and the $7 copay utilization adjustments were used thereafter. Consequently, FY 2002 projections incorporated a weighted average of both utilization adjustments based on the FY 2002 projected enrollee months both before and after February 1, 2002.

The copay utilization adjustments were further modified to reflect the fact that some veterans in Priority Levels subject to copays do not intend to pay the copay when using VHA services, while others may not be required to pay the copay due to hardship waivers. For this purpose, it is expected that these veterans will have utilization that reflects a zero dollar copay benefit. VA provided information regarding the amount of copays assessed to veteran enrollees and the amount actually collected. This information was used to make appropriate adjustments to the utilization benchmarks. A complete schedule of the copays for each Fiscal Year and Priority Level is attached as Exhibit III-1-1.

Covered Benefit Adjustments

The VA Medical Benefits Package (MBP) specifies the health care coverage guaranteed to all veterans eligible for enrollment. Under the direction of VA, Maternity, Chiropractor, and Voluntary Sterilization benefits are also included. Emergency Care benefits are included at the typical level of utilization and intensity within VA facility capabilities. Utilization has been adjusted to this level on a national basis through the specific experience adjustment for Emergency Care services (see Section VI, Actual-to-Expected Analysis in this report). These benefits may or may not become part of the final MBP. Benefit coverage in the MBP varies for Priority Levels 1 through 4 and Priority Levels 5 through 8. Benefit projections for special VA programs outside of the modeled MBP are addressed in Section IV-Special Program Projections. Partial or excluded medical benefits coverage assumptions are as follows:

Excluded Benefits	Priority Levels 1 through 8c: Newborn Inpatient (IP) Care and Well Baby Exams
Partial Benefits	Priority Levels 5 through 8: 50% Glasses/Contacts, 50% Hearing Aids

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The following Physician services are excluded from the Ambulatory portion of the cost models because they represent Physician costs associated with Inpatient stays: Inpatient Surgery (Primary Surgeon, Assistant Surgeon, and Anesthesia), Inpatient Visits (Hospital, Extended Care, and Critical Care), Radiology (IP Professional), and Pathology (IP Professional). VA unit costs include the Physician costs for these services within the Inpatient Hospital per diems. Therefore, this workload and its associated costs are not included in the Ambulatory section of the model. The Medicare Allowable charge levels for Inpatient Hospital per diems have been adjusted to include physician costs so that they are comparable to VA unit cost measures as well. The VA Enrollee Health Care Projection Model includes Medicare Allowable charge levels for several reasons. First of all, they provide a meaningful comparison with VA unit cost experience. Also, they are used as the basis for unit cost relativities between service lines when only high level VA unit costs are identifiable. Finally, Medicare allowable charges (or a percentage) can be used as the cost basis for services where VA is unable to provide detailed unit costs, for potential contracting projections, and additional Medicare based analyses.

For Inpatient Maternity, the Physician costs associated with inpatient care are included in the Ambulatory portion of the cost models, since the cost models use community billed charges to project the cost of Maternity services. VA unit costs for Maternity are not available since VA does not provide these services within their facilities. Unlike VA unit costs, inpatient facility and associated physician costs are available separately for community billed charges.

For all Age Groups and Priority Levels, the Prescription Drug benefit provides for over-the-counter drugs. During FY 2001 and FY 2002 (through February 1, 2002), drugs dispensed for non-service-connected (NSC) conditions were subject to a $2 copay for Priority Levels 2 through 4 and 6 veterans. All Priority Level 7 veterans paid the $2 copay as well as Priority Level 5 veterans above a certain income threshold (estimated to be 45% of prescriptions). On February 1, 2002 the prescription drug copay increased to $7. The majority of over-the-counter drugs cost less than the $7 copay amount. As expected, over-the-counter drug utilization decreased after the $7 copay was implemented and therefore, the average unit cost per prescription increased.

VA was able to provide FY 2002 pharmacy data for both prescription and over-the-counter drugs. This data included national drug codes (NDC) and unit costs for each drug dispensed.

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Private sector Prescription Drug benefits typically cover insulin, but not the other over-the-counter drugs covered by VA. The private sector Prescription Drug utilization was therefore adjusted to include over-the-counter drug utilization at the $2 and $7 copay levels by Priority Level. These adjustments were calculated by Priority Level using the VA pharmacy utilization and cost data. This data was analyzed for the specific months that the two copay levels were in effect to derive the appropriate adjustments to utilization, as well as adjustments to VA based unit costs at higher prescription drug copay levels modeled after FY 2002.

Area Adjustments

The starting utilization rates within the Guidelines reflect utilization patterns on a nationwide average basis. Extensive research was also expended during the development of the Milliman *Health Cost Guidelines*™ to recognize variations in utilization and provider practice patterns by area. Area adjustments within the Guidelines are provided at the Metropolitan Statistical Area (MSA) level of detail. These area factors were mapped to the sector classifications used with the VA Enrollee Health Care Projection Model. Market, VISN or facility variations in utilization follow from composites of the sector level utilization.

San Juan, Puerto Rico (Sector 72999) is included as one of the 506 sector areas. The Puerto Rico private sector health care locality data reflects the native Puerto Rico health care delivery system. The VA Health Care Facility in San Juan is not believed to reflect this health care delivery system, but rather a typical Southern Florida health care system. Therefore, the San Juan utilization benchmarks reflect the health care practices of a Southern Florida service area.

Manila, Philippines and other Overseas areas are also included in the sector list (Sector 80999). There were similar concerns for Manila as for the San Juan Facility. Therefore, the Manila utilization benchmarks reflect the health care practices of a Hawaiian service area.

Demographic Adjustments

The starting utilization rates within the Guidelines reflect utilization patterns for the average, insured population. Extensive research was also expended within the Milliman *Health Cost Guidelines*™ development process to recognize variations in utilization and provider practice

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patterns by age and gender cohort. Age/Gender adjustments within the Guidelines are provided at the five-year age band level of detail.

The detail of these age bands provides flexibility to perform the VA projections at the level of age detail deemed appropriate for the population. Used in conjunction with projected enrollee population, by Enrollee Type, Priority Level, etc., utilization rates for each category of service can be denoted for each veteran enrollee population's specific demographic mix.

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Exhibit III–1–1

Final FY04 ELDA Copay Schedule - All Scenarios

		Ambulatory Copay Schedule					*IP Acute Copays*		*LTC Copays*		*Domicilary Copays*		*Rx Copays**		*Other Copays*	
FY	Priority Level	Excluded	No Copay	Primary Care	Specialty Basic	Specialty Complex	Admits	Days	Admits	Days	Admits	Days	Generic	Brand	Ambulnc.	DME/Pro.
2001	1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2001	2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
2001	3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
2001	4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
2001	5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
2001	6	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
2001	7a	$0	$0	$50.80	$50.80	$50.80	$792	$10	$792	$10	$0	$0	$2	$2	$0	$0
2001	7c	$0	$0	$50.80	$50.80	$50.80	$792	$10	$792	$10	$0	$0	$2	$2	$0	$0
2001	8a	$0	$0	$50.80	$50.80	$50.80	$792	$10	$792	$10	$0	$0	$2	$2	$0	$0
2001	8c	$0	$0	$50.80	$50.80	$50.80	$792	$10	$792	$10	$0	$0	$2	$2	$0	$0
Beg. 2002	1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Beg. 2002	2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
Beg. 2002	3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
Beg. 2002	4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
Beg. 2002	5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
Beg. 2002	6	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2	$2	$0	$0
Beg. 2002	7a	$0	$0	$50.80	$50.80	$50.80	$812	$10	$812	$10	$0	$0	$2	$2	$0	$0
Beg. 2002	7c	$0	$0	$50.80	$50.80	$50.80	$812	$10	$812	$10	$0	$0	$2	$2	$0	$0
Beg. 2002	8a	$0	$0	$50.80	$50.80	$50.80	$812	$10	$812	$10	$0	$0	$2	$2	$0	$0
Beg. 2002	8c	$0	$0	$50.80	$50.80	$50.80	$812	$10	$812	$10	$0	$0	$2	$2	$0	$0
End 2002	1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
End 2002	2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
End 2002	3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
End 2002	4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
End 2002	5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
End 2002	6	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
End 2002	7a	$0	$0	$15	$50	$50	$812	$10	$0	$97	$0	$5	$7	$7	$0	$0
End 2002	7c	$0	$0	$15	$50	$50	$812	$10	$0	$97	$0	$5	$7	$7	$0	$0
End 2002	8a	$0	$0	$15	$50	$50	$812	$10	$0	$97	$0	$5	$7	$7	$0	$0
End 2002	8c	$0	$0	$15	$50	$50	$812	$10	$0	$97	$0	$5	$7	$7	$0	$0

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Exhibit III-1-1 (cont.)

		Ambulatory Copay Schedule					*IP Acute Copays*		*LTC Copays*		*Domicilary Copays*		*Rx Copays**		*Other Copays*	
FY	**Priority Level**	**Excluded**	**No Copay**	**Primary Care**	**Specialty Basic**	**Specialty Complex**	**Admits**	**Days**	**Admits**	**Days**	**Admits**	**Days**	**Generic**	**Brand**	**Ambulnc.**	**DME/Pro.**
2003	1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2003	2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2003	3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2003	4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2003	5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2003	6	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2003	7a	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0
2003	7c	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0
2003	8a	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0
2003	8c	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0
2004+	1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
2004+	2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2004+	3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2004+	4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2004+	5	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2004+	6	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7	$7	$0	$0
2004+	7a	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0
2004+	7c	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0
2004+	8a	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0
2004+	8c	$0	$0	$15	$50	$50	$840	$10	$0	$97	$0	$5	$7	$7	$0	$0

* Prescription Drug copay is not assessed for service connected conditions.

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Section III-2
Morbidity Adjustments

Background

Morbidity factors attempt to quantify the relative health status of a set of individuals to the health status of a base set of individuals. For these projections, the applicable base set of individuals was the population serviced by private sector health care providers. This population is typically referred to as a commercial population for individuals Under Age 65 and a Medicare population for individuals Ages 65 and Over. Medicare also covers individuals Under Age 65, but for purposes of these projections the definition of Medicare was limited to the Ages 65 and Over population only. The analysis for calculating morbidity factors was conducted during the FY04 ELDA, although the FY04 ELDA continues to use the Under Age 65 morbidity factors used in the FY03 ELDA. The Under Age 65 factors were applied to the Under Age 45 and Ages 45–64 enrollee populations.

The purpose of morbidity factors for any benchmarking project is to adjust the underlying utilization and intensity of services to reflect the morbidity of the target population relative to the morbidity of the underlying population. Because private sector data was the basis for the veteran utilization benchmarks, it was necessary to develop relative morbidity factors that allowed the underlying benchmarks to be adjusted to account for the anticipated differences in morbidity.

It has long been recognized that the veteran who seeks health care from VHA medical facilities is generally sicker (more morbid) than the veteran who chooses not to use VHA medical facilities, as well as the non-veteran. Since VHA medical facilities must give veterans with a service-connected disability top priority for receiving health care, it is not surprising that the overall morbidity of users of the VA Health Care System is worse than that for veterans who do not use the VA Health Care System and for private sector populations. Many of the veterans who seek care at VHA facilities have some type of mental illness (frequently a result of combat exposure) and many clinicians would argue that these patients are more difficult to treat for medical conditions than patients with the same medical condition but without any coexisting mental health or substance abuse conditions.

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One issue that complicates the development of veteran morbidity factors is that of reliance. Unlike the vast majority of members of commercial health care programs, veterans who use the VA Health Care System are usually not reliant on the VA Health Care System for 100% of their health care needs. That is not to say that no veteran relies 100% on VHA for their health care needs, but many do not. Some actually rely very little on VHA. These veterans may take advantage of the primary care health screenings but choose to have any follow-up work performed by their private sector providers. Also, it is believed that many veterans who are eligible for Medicare may use VHA primarily for prescription drug coverage since Medicare does not currently offer a prescription drug benefit package. These reliance issues are difficult to isolate and quantify. The mental health related services may be utilized more at VHA facilities because of veteran reliance on VHA for these services, as well as higher veteran need for this service (higher morbidity). It is difficult to determine how much of the difference is due to reliance and how much is due to morbidity. In developing the relative morbidity factors, relative morbidity scores were weighted by enrollee reliance rates. This is further discussed below and in Section III-3- Reliance.

Methodology

It has long been recognized in the private sector that appropriate adjustments to premium payments and capitation rates to reflect the risk being assumed are needed for financial stability and market competitiveness. Traditional risk adjustment methodologies in the commercial market include adjustments for age, gender, industry, geographic area and family size. Since 1985, payment rates to Medicare risk contractors have been based on Centers for Medicare and Medicaid Services' (CMS) calculation of the Adjusted Average Per Capita Cost (AAPCC), with adjustments for the age, gender, county, and the institutional, disability, working and welfare status of the member.

A diagnosis-based risk assessment methodology uses ICD-9 diagnosis codes as the basis for health status identification and corresponding risk classification. The process of diagnosis-based risk assessment is much more complicated than traditional approaches to calculating risk factors because there is not a unique one-to-one relationship between members and ICD-9 codes. With traditional risk adjustment factors, each person has one and only one identifier per demographic adjustment factor (i.e., age, gender, industry, and geographic area). With ICD-9 codes, a

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member may have none or many diagnosis codes during the time period over which the data is gathered. Another complexity that differs from traditional factors is that diagnoses and the associated ICD-9 codes can change over time for each member, creating a moving target.

Because there are over 11,000 ICD-9 diagnosis codes, those with similar risk characteristics need to be grouped together for rating purposes. Grouping by risk characteristic is often done with traditional factors (i.e., ages being banded together or areas being rated by three-digit Zip code); however, the process of deciding how to group diagnosis codes is much more difficult. The Disability Payment System (DPS) has been developed for this specific purpose.

The DPS Model was created at the University of California – San Diego using claim data from the Medicaid programs of seven states. The DPS model groups diagnoses into 18 major diagnostic categories, some of which can be further subdivided by cost (very high, high, medium or low) for a total of 43 categories. Table III-2-1 summarizes these groupings and gives a sample diagnosis for each. The initial mapping of ICD-9 codes to DPS categories can result in a single patient being mapped into multiple buckets. The costs associated with each of the 18 major categories to which a patient belongs are added together to determine the relative cost. The cost of a single major category is calculated one of two ways. Eight of the 18 categories are fully counted, which means that costs are added together for a person that has been mapped to multiple levels in the same major category (i.e., low-cost and high-cost). Ten of the 18 categories are hierarchical in that costs are only counted for the highest cost subgroup, or most severe condition, within each major category.

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Table III-2-1

DPS Model Categories

Fully Counted Categories	Sample Diagnoses
Central Nervous System	
High-Cost	Quadriplegia
Medium-Cost	Muscular Dystrophy
Low-Cost	Cerebral Palsy
Skeletal and Connective	
High-Cost	Juvenile Arthritis
Medium-Cost	Osteoporosis
Low-Cost	Disc Disorders
Gastrointestinal	
High-Cost	Liver Disease
Low-Cost	Intestinal Obstruction
Metabolic	
High-Cost	Pituitary Dwarfism
Medium-Cost	Malnutrition
Low-Cost	Adrenal Disorders
Cancer	
High-Cost	Nervous System Cancers
Medium-Cost	Lymphomas
Low-Cost	Melanoma
Eye and Ear	Cataracts
Skin	
High-Cost	Decubitus Ulcers
Low-Cost	Other Chronic Skin Ulcers
Gynecologic	Ovarian Cysts

Hierarchic Categories	Sample Diagnoses
Psychiatric	
High-Cost	Schizophrenia
Medium-Cost	Manic Depressive
Low-Cost	Hysteria
Pulmonary	
Very High-Cost	Congenital Pneumonia
High-Cost	Congenital Lung Anomalies
Medium-Cost	Chronic Obstructive Pulmonary Disease
Low-Cost	Simple Asthma
Cardiovascular	
High-Cost	Heart Transplant Status
Medium-Cost	Congestive Heart Failure
Low-Cost	Acute Myocardial Infarction
Diabetes	
High-Cost	Adult-onset with Complications
Low-Cost	Adult-onset without Complications
Hematologic	
Very High-Cost	Hemophilia (clotting factors VIII and IX)
High-Cost	Hemophilia (other clotting factors)
Medium-Cost	Hemoglobin C Sickle Cell Disease
Low-Cost	White Blood Cell Disorders
Substance Abuse	
High-Cost	Drug dependence or abuse
Low-Cost	Alcohol dependence or abuse
Mental Retardation	
High-Cost	Profound Mental Retardation
Medium-Cost	Severe Mental Retardation
Low-Cost	Mild and Moderate Mental Retardation
Renal	
High-Cost	Renal Failure
Low-Cost	Nephritis
Cerebrovascular	Cerebral Thrombosis
AIDS	Kaposi's Sarcoma

Costs are added together for persons mapped to multiple levels in the same major category (low and high).

Costs are taken only from the highest cost level in each category.

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This grouper is a hierarchical model that recognizes coexisting conditions, based on Medicaid disabled SSI recipient data. The data sources for the grouper are also reflective of the veteran populations of primary concern.

In this grouper individuals are characterized by each of their coexisting conditions. They are not limited to one group; they can be classified into multiple grouper categories. This allows the costs associated with each diagnosis group to be added together to produce the overall cost profile for an individual.

The methodology used to produce relative morbidity factors for the veteran population proceeded in two phases. The first phase involved application of the DPS grouper to the Medicare and commercial databases to develop appropriate risk weights. The second phase involved application of the DPS grouper and the developed risk weights to veterans' diagnosis data, and subsequent analysis of the expected costs.

Development of Risk Weights

For every member in the Medicare and commercial databases, their demographic information was recorded, their total costs in each of the four major categories described below were calculated, and their risk groupings using the DPS grouper were determined. VA's Management Science Group (MSG) used this information to develop all of the necessary risk weights using ordinary-least-squares regression.

The demographic variables used in the regressions were age, gender and region (for Medicare). For the commercial data, only members between the ages of 19 and 64 were considered. For the Medicare data, only members with ages greater than 64 were considered. The Medicare data was mapped into seven regions consistent with VISN boundaries. The seven regions were as follows:

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Region	VISN
1	1, 3
2	2, 4, 5
3	6, 7, 8, 9, 10, 11, 15
4	12, 13 (now part of VISN 23)
5	16, 17
6	14 (now part of VISN 23), 18, 19, 20
7	21, 22

All of the claims in the databases were mapped into four health care service categories.[1] The four health care service categories (HSCs) were based on the location of care (Inpatient or Outpatient) and whether the care was for physical or mental health conditions. These categories are referred to as Inpatient Physical, Inpatient Mental Health, Outpatient Physical, and Outpatient Mental Health. Costs associated with maternity, well-newborn, well-baby and chiropractic services were excluded.[2]

The DPS grouper was applied to all available recorded diagnoses for each member. Each member was mapped to as many DPS groups as appropriate based on the rules of the grouper. Some members did not have diagnoses associated with any of the 43 DPS groups. All diagnoses for each member, regardless of the type of claim (HSC) that the diagnosis was attached to, are used to determine the DPS group counts.

MSG ran eight regressions each on the commercial and Medicare databases. They ran four regressions for all members with no DPS diagnoses and four regressions for all members with at least one DPS diagnosis. The four regressions refer to each major HSC defined above. Each regression analyzed a single dependent variable—the total claim dollars for the HSC. The independent variables were age, gender, polynomial combinations of age and gender, region (for Medicare), and the 43 DPS groups (for members with at least one DPS diagnosis). All DPS groups were used for each regression, regardless of the type of claim (HSC) that the diagnosis was attached to. Some DPS groups were rolled-up into smaller groups to reflect the infrequent

[1] Note that the databases do not contain prescription drug information.

[2] Note: Chiropractic services were excluded from the Morbidity Study but were included in the VA Enrollee Health Care Projection Model projections.

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incidence of these conditions in the databases. These regressions were performed on a concurrent basis , as opposed to performing the regression on each independent variable separately.

Banded Age/Gender factors based on the commercial and Medicare databases were also produced. Region factors based on the Medicare database were developed, with the impact of age and gender removed. These factors represent relative claim costs reflective of all disease incidences. These factors were used to develop estimated costs for health care users (those members with claims) by age, gender and region, without regard to health status.[3]

Morbidity for Ages 65 and Over

After calculation of the risk weights, the DPS grouper was applied to the combined diagnoses identified using both VHA and CMS data. Results were then summarized for each combination of HSC, Priority Level, VISN, and Enrollee Type. For purposes of this summary, all enrollees in a Medicare+Choice program were removed, since the diagnosis capture for these individuals is likely to be incomplete. Furthermore, all enrollees under age 66 were not considered, even if eligible for Medicare's disability coverage; age 65 enrollees were excluded because of having only a partial year's coverage under Medicare.

As mentioned previously, it has long been assumed that the level of reliance is a predictive indicator for relative morbidity. In particular, those who seek treatment at both VA and non-VA facilities (partially reliant individuals) are expected to exhibit the highest morbidity rates, followed by those who seek only services at either VA or CMS. Non-users are expected to show the lowest relative morbidity rates. With this in mind, it was necessary to adjust the relative morbidity calculation to account for the impact of expected reliance levels; an enrollee's morbidity is only relevant to the model to the extent that the enrollee is expected to utilize VA services to address those conditions. Specifically, in averaging morbidity scores, users were weighted according to their actual reliance during the 2001 data period, while non-users were weighted using reliance estimates calculated for the FY04 ELDA. Users who were 100% reliant

[3] Note that this regression was performed using CY 1999 data. The regression factors were not recalculated for the current morbidity analysis.

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on CMS were given no weight and therefore, were effectively excluded from the morbidity analysis. Table III-2-2 demonstrates the impact of reliance weighting on morbidity calculations.

Table III-2-2

User Type	(1) # Users	(2) Average Morbidity Score	(3) (1) × (2) Non-Weighted Total Score	(4) Reliance*	(5) (1) × (4) Reliance # Users	(6) (2) ×(5) Weighted Total Score
Fully Reliant	20	3,000	60,000	1.00	20	60,000
Partially Reliant	10	3,500	35,000	0.40	4	14,000
Non-VA Reliant	40	2,500	100,000	-	-	-
Non-Users	100	700	70,000	0.30	30	21,000
Total	170		265,000		54	95,000
Average			1,559			1,759

* Actual reliance for users. Non-users use FY04 ELDA modeled reliance estimates

Due to the sometimes low available sample sizes, credibility analysis was used to smooth the results. When dealing with claim costs, rather than encounters (as in the reliance analysis), a larger number of lives are needed to reach full credibility in the morbidity analysis. Actuarial standards commonly set this level at 1,000 lives in claims credibility analysis; the same number was assumed for the outpatient morbidity analysis, though users who were 100% reliant on CMS were excluded. Inpatient claim frequencies are much lower than outpatient claim frequencies, therefore, the full credibility level was increased for inpatient to 2,000 lives, once again excluding users demonstrating 100% reliance upon CMS.

The credibility method applied to the morbidity factors was similar to the method used in the reliance factor development, including the use of Priority Level 7c factors where no lives were available in Priority Levels 6 or 7a. In addition, universal morbidity factors for Priority Levels 6 and 7a were credibility adjusted with Priority Level 7c universal morbidity factors where the total number of lives in the Priority Level did not meet the minimum required for full credibility. The adjustments were calculated as follows:

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$C(6/7a) = Z \times P(7a) + (1 - Z) \times P(7c)$, where

C(6/7a) is the credibility adjusted aggregate morbidity factor for Priority Level 6 or 7a, as applicable,

Z is the credibility weight ($Z = N \div 1{,}000$ for outpatient, 2000 for inpatient and $0 \leq Z \leq 1$),

N is the number of lives, excluding users fully reliant on CMS for that category of service,

P(6/7a) is the universal morbidity factor for Priority Level 6 or 7a before credibility adjustments, and

P(7c) is the universal morbidity factor for Priority Level 7c

Comparison to Baseline Population

A 5% sample of Medicare enrollees Ages 65 and Over was analyzed in a manner similar to that used for VA enrollees. Risk scores were determined for individual members under each HSC based upon diagnoses and demographic information. Assignments to the seven geographic regions were determined based on the location of residence of Medicare enrollees. Medicare enrollees participating in Medicare+Choice plans were excluded from the analysis since their diagnoses were assumed to be incomplete.

After calculating individual risk scores, average scores were generated for all Medicare beneficiaries by gender and age band (5-year bands up to age 84, with a final age band of age 85 or greater). Due to the large size of the Medicare sample, no credibility adjustments were required. Risk scores were then aggregated across ages and genders based upon the relative population weights of VA enrollees (weighted by reliance percentages, and excluding users 100% reliant on CMS). Finally, the average scores were adjusted based upon regional utilization factors (see Section III-1, Area Adjustments) used in the VA Enrollee Health Care Projection Model. Morbidity risk scores for VA enrollees were divided by scores from the baseline population. The resulting factor is the final relative morbidity of VA enrollees vs. Medicare enrollees. This reliance score represents the expected claims cost for veteran enrollees compared to the baseline Medicare population. For example, a risk score of 1.70 implies expected claims costs 70% above that for a Medicare beneficiary with the same age and geographic location.

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Adjustments for Specific Service Types

Prescription drug relative morbidity factors were based on the inpatient and outpatient morbidity factors. Using Milliman research and knowledge of prescription drug utilization patterns, the prescription drug morbidity factors were developed as a weighted average of each of the inpatient and outpatient morbidity factors. Both inpatient and outpatient non-prescription drug utilization impact prescription drug utilization. Based on actuarial experience and judgment, it was estimated that 7% of the Inpatient Physical, 3% of the Inpatient Mental Health, 80% of the Outpatient Physical and 10% of the Outpatient Mental Health relative morbidity factors represent the prescription drug relative morbidity factor.

During the FY03 ELDA model update, it was determined that the inpatient morbidity factors were not adequately reflecting the difference in relative morbidity for the different types of inpatient stays. For example, the model tended to under-predict medical stays and over-predict surgical stays. Similarly, psychiatric stays were under-predicted and substance abuse stays were over-predicted. It is theorized that the morbidity adjustments, which are global for all medical and surgical inpatient stays and global for all psychiatric and substance abuse stays, do not sufficiently measure the impact of enrollee health status on these different types of stays.

Reliance also affects the impact enrollee health status has on the various categories of inpatient stays. For example, anecdotal evidence suggests that enrollees choose the VA Health Care System for less complex inpatient surgical care and the private sector for more complex inpatient surgical care. The health status based risk assessment methodology used to develop the relative morbidity factors does not consider whether a diagnosis, which traditionally leads to an inpatient surgical stay, actually resulted in a surgical stay in the VA Health Care System. The enrollee could well have chosen to have the surgery performed in the private sector. In this case, surgical stays would be over-predicted in the model.

On the other hand, additional anecdotal evidence suggests that enrollees have more chronic conditions than non-veterans. These two pieces of anecdotal information, and the fact that the model under-predicts medical stays and over-predicts surgical stays, indicate that a higher relative morbidity factor is needed for medical stays than for surgical stays. Since the morbidity study only assesses relative morbidity for both medical and surgical stays combined, an

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adjustment was needed to increase the assumed relative morbidity for medical stays and reduce the assumed relative morbidity for surgical stays.

It is suggested that psychiatric and substance abuse stays need separate morbidity factors since the cost variance within psychiatric stays is much larger than the cost variance within substance abuse stays. The DPS risk weights confirm this and even indicate that some of the most costly substance abuse conditions are similar in cost to moderate psychiatric conditions. Since the morbidity study only assesses relative morbidity for both psychiatric and substance abuse stays combined, an adjustment was needed to increase the assumed relative morbidity for psychiatric stays and reduce the assumed relative morbidity for substance abuse stays.

These morbidity factor adjustments were developed using the Actual-to-Expected analysis, described in Section VI, to generate factors to appropriately increase the inpatient physical morbidity factors for medical stays and decrease them for surgical stays and to appropriately increase the inpatient mental health morbidity factors for psychiatric stays and decrease them for substance abuse stays. Separate Actual-to-Expected ratios were obtained from the Actual-to-Expected analysis for medical, surgical, psychiatric and substance abuse inpatient admissions. The goal was to adjust the morbidity factors so that the Actual-to-Expected ratios for medical and surgical admissions were equal and the Actual-to-Expected ratios for psychiatric and substance abuse admissions were equal. In order to achieve this, the inpatient physical morbidity factors were split into two components, medical and surgical, and the inpatient mental health morbidity factors were split into two components, psychiatric and substance abuse. These adjustments were made at the Priority Level and Age Group (Under Age 65 and Ages 65 and Over) levels.

Under Age 65 Morbidity

An analysis of morbidity for the Under Age 65 population was performed for the FY04 ELDA. However, due to limited data sources, as described later in this section, the resulting morbidity factors were not fully credible. In comparing the final morbidity rates with those from the FY03 ELDA, the relative rates between Priority Levels were similar, giving additional credibility to both studies. However, the overall level of morbidity in the FY03 ELDA study was more consistent with actual Under Age 65 utilization than the current study. Therefore, the model continues to use Under Age 65 morbidity rates from the FY03 ELDA.

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A description of the methodology used in the FY04 ELDA study is presented below. For completeness, the methodology used for the FY03 ELDA is repeated at the end of this section.

Unlike the Ages 65 and Over population, where coverage, and therefore diagnoses, tend to be concentrated in VHA and CMS, the Under Age 65 population has coverage from multiple commercial carriers, in addition to VHA and CMS. Therefore, a relatively complete capture of diagnoses is unlikely to be achieved. The solution to this problem was to analyze only the subset of Under Age 65 veterans who described themselves as fully reliant upon VHA (for a given HSC), according to the 2002 Survey of Enrollees (SOE). It was assumed that VHA captured substantially all of the diagnoses for these individuals, and therefore, that the risk score calculated using only VHA diagnoses would be an accurate representation of total morbidity.

The steps in the Under Age 65 morbidity analysis were as follows:

1. Determine 100% reliant users (by HSC) based on the 2002 SOE.
2. Calculate risk scores for the users determined in Step 1 using VHA diagnoses only. Note that a separate regression was used for Under Age 65 morbidity risk scores, based on a commercial database, but otherwise following the same methods as the Ages 65 and Over regression.
3. Combine the risk scores with demographic information from the Master Enrollment File.
4. Adjust the risk score to an equivalent risk score at age 63. Due to the relatively low number of 100% reliant survey respondents, analyses by age were not considered credible. Therefore, all risk scores were adjusted to age 63 using relative risk scores by age in the commercial database.[4]
5. Average "age 63 adjusted" morbidity scores were calculated by Priority Level and Enrollee Type. Due to the lack of data, and because the Under Age 65 regression did not include regional coefficients, results were not summarized by VISN.
6. Risk scores were compared to the average risk scores for age 63 enrollees in the commercial population to determine a relative risk score for fully reliant users, by HSC, Enrollee Type and Priority Level.

[4] Age 63 was chosen instead of age 64 due to potential complications from impending Medicare eligibility for those age 64.

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Steps 1 through 6 produced average morbidity risk scores, adjusted to age 63, for fully reliant Under Age 65 enrollees. However, as previously stated, the morbidity risk scores for fully reliant enrollees are expected to be considerably higher than for non users. Steps 7 through 9 adjust the morbidity score produced in Step 6 to reflect an average for all enrollees (instead of only those who are fully reliant).

7. For the Ages 65 and Over population, relative morbidity scores were calculated for fully reliant users, partially reliant users, non-reliant users and non-users. Relative morbidity scores were calculated by comparing, for each type of user, the sum of actual risk scores from the regression to modeled risk scores. Calculations were performed separately for each HSC, but were aggregated across all Enrollee Types, VISNs and Priority Levels. As with all other morbidity calculations, individuals were weighted by reliance, using actual reliance for FY 2001 users and modeled reliance for those who were non-users during FY 2001.
8. The relative morbidity scores by "user type" from step 7 (fully reliant, partially reliant, etc.) were combined with the distribution of Under Age 65 user types (by HSC) in the 2002 SOE. This produced an average risk score across all Under Age 65 enrollees. The score for fully reliant users was divided by the average risk score for all enrollees to determine the relative risk score of fully reliant users compared to all users. Note that the number of users was again weighted by reliance.
9. The relative risk score for fully reliant users in Step 6 was divided by the relative risk score of fully reliant users compared to all users in Step 8. This produced a risk score for all Under Age 65 veterans relative to a standard commercial database.
10. In order to extend the database to VISNs, relative morbidity rates by VISN from the Ages 65 and Over analysis were applied to the Under Age 65 rates by HSC, Priority Level and Enrollee Type.

As mentioned earlier in this section, a comparison of the rates produced for the FY04 ELDA to those used in the FY03 ELDA revealed similar relative morbidity differences by Priority Level, but different levels of overall morbidity. After measuring actual and expected utilizations, it appeared that the FY03 ELDA morbidity factors were more accurate for Under Age 65 enrollees. This was not unexpected, given the relatively larger data sample available for that analysis. Therefore, the Under Age 65 morbidity rates from FY03 ELDA were used for this analysis. For

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completeness, the relevant excerpts from the FY03 ELDA analysis are included below, demonstrating where the methodology differed from the FY04 ELDA .

FY03 ELDA Under Age 65 Morbidity Analysis (excerpted from Section II of FY03 ELDA)

Because the diagnoses from actual veteran facility utilization were used to estimate the relative morbidity of veteran Enrollees, some of the reduction in expected utilization due to partial veteran reliance on VHA is buried in the raw relative morbidity factors. The actual diagnoses recorded by VHA providers will represent less than 100% of the total diagnoses reported for a veteran Enrollee (this includes private sector provider recorded diagnoses), but it will still be a higher percentage than the percentage of total veteran utilization that is provided by VHA facilities. This is due to the fact that a VHA provider can record a diagnosis, even though full treatment is not received at a VHA facility. In other words, a VHA provider might diagnose a problem, but the enrollee might choose to seek care for that diagnosis in the private sector. In addition, a VHA provider might record a secondary diagnosis while that provider only treats the symptoms of the primary diagnosis. For instance, an enrollee with diabetes who is receiving treatment for a mental health disorder may choose to obtain non-mental health care in the private sector. Also, many enrollees who are eligible for Medicare may use VHA to primarily provide prescription drugs. Many of the veterans' diagnoses will be recorded, but only a portion of their total utilization will be obtained via VHA. Since less than 100% of the average veteran enrollee's diagnoses are captured in VHA data, the resulting morbidity factors will reflect a portion of the partial reliance issue.

The solution to this problem was to consider the relative morbidity for a subset of veterans. This subset contained only those veterans who were heavily reliant on VHA (according to their 1999 SOE responses and the VETERANS SF-36 & HEALTH BEHAVIORS Survey responses) *and* had at least one diagnosis recorded in the VA Health Care System during FY 1998 (*reliant users*). The DPS grouper was applied to the diagnosis data for these *reliant users*. The 16 sets of risk weights (for two Age Groups, with and without DPS diagnoses, and for the four major HSCs) developed in the regression analysis were applied to VA *reliant users*, according to their age, gender, region and DPS groups. This produced, for each *reliant user*, an estimated claim cost in each of the four HSCs. The ratio of the estimated claim cost for a HSC to the Age/Gender banded claims estimates for a HSC is the relative morbidity factor for that Enrollee and HSC. Morbidity factors were summarized for each of the four HSCs by Priority Level and

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VISN, for Enrollee Pre, Past Enrollee Post and New Enrollee Post veterans, and Under Age 65 and Ages 65 and Over Enrollees.

Due to the sometimes low available sample sizes, credibility analysis was used to smooth the results. The credibility method applied to the morbidity factors was similar to the method used in the reliance factor development. When dealing with claim costs, rather than encounters (as in the reliance analysis), a larger number of *reliant users* are needed to reach full credibility in the morbidity analysis. Actuarial standards commonly set this level at 1,000 lives in claims credibility analysis; the same number was assumed for the outpatient morbidity analysis. Inpatient claim frequencies are much lower than outpatient claim frequencies, so the full credibility level was increased for inpatient to 2,000 lives.

The following methodology was applied separately to each HSC, Age Group and Enrollee Type.

The Under Age 65 Enrollee Pre aggregate morbidity factors by Priority Level were fully credible for all Priority Levels in the outpatient analyses and all but Priority Level 7a in the inpatient analyses based on the number of *reliant users* in each Priority Level. The aggregate morbidity factor for Priority Level 7c was used as an estimate for the Priority Level 7a aggregate morbidity factor to the extent that the Priority Level 7a aggregate morbidity factor was not credible. A common credibility formula was used to estimate a credibility adjusted aggregate inpatient morbidity factor for Priority Level 7a for each inpatient HSC (physical and mental):

$$C(7a) = Z \times P(7a) + (1 - Z) \times P(7c), \text{ where}$$

C(7a) is the credibility adjusted aggregate morbidity factor for Priority Level 7a,
Z is the inpatient credibility weight ($Z = N \div 1{,}000$ and $0 \le Z \le 1$),
N is the number of inpatient reliant users,
P(7a) is the inpatient aggregate morbidity for Priority Level 7a, and
P(7c) is the inpatient aggregate morbidity for Priority Level 7c

The Ages 65 and Over Enrollee Pre aggregate morbidity factors by Priority Level were fully credible for all Priority Levels except Priority Level 6 in the outpatient analyses and all but Priority Levels 6 and 7a in the inpatient analyses based on the number of *reliant users* in each Priority Level. The aggregate morbidity factor for Priority Level 7c was used as an estimate for

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the Priority Levels 6 and 7a aggregate morbidity factors to the extent that the Priority Levels 6 and 7a aggregate morbidity factors were not credible. The same credibility analysis used for the Under Age 65 Priority Level 7a factors was used here.

Similar analyses were performed for the Past Enrollee Post and New Enrollee Post morbidity factors. The major difference was that a combination of the relativities of the Enrollee Pre credibility adjusted aggregate morbidity factors by Priority Level and the relativities of the Past Enrollee Post credibility adjusted aggregate morbidity factors by Priority Level were used to estimate the "non-credible" factor in the credibility formula described above for Past Enrollee Post. The relativities of the Enrollee Pre credibility adjusted aggregate morbidity factors by Priority Level were used to estimate the "non-credible" factor in the credibility formula described above for some of the Priority Levels that were not fully credible. It was assumed that the relationships among the Priority Levels in the Enrollee Pre factors would be an appropriate estimate for the relationships among the Priority Levels in the Past Enrollee Post factors to the extent that the Past Enrollee Post factors were not credible. For example, if the Past Enrollee Post aggregate morbidity factor for Priority Level 1 was fully credible, but the Past Enrollee Post aggregate morbidity factor for Priority Level 4 was not fully credible, the ratio of the Enrollee Pre Priority Level 4 credibility adjusted aggregate morbidity factor over the Enrollee Pre Priority Level 1 credibility adjusted aggregate morbidity factor was applied to the Enrollee Pre Priority Level 4 aggregate morbidity factor. For other Priority Levels it was assumed that the relationships for the Enrollee Pre should apply to the credibility adjusted Past Enrollee Post factors. This was done to retain factor relationships between certain sets of Priority Levels.

Similarly, it was assumed that the credibility adjusted Past Enrollee Post relationships by Priority Level would be appropriate to estimate the relationships among the Priority Levels in the New Enrollee Post factors to the extent that the New Enrollee Post factors were not credible. The following tables (Table III-2-3 & Table III-2-4) list the ratios used in the analyses.

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Table III-2-3-Past Enrollee Post

	Under Age 65		Ages 65 and Over	
Priority Level	Inpatient	Outpatient	Inpatient	Outpatient
1	1 to 3	FC	1 to 3*	1 to 3
2	2 to 3	FC	2 to 3*	2 to 3
3	FC	FC	3 to 5	FC
4	4 to 1*	4 to 1	4 to 3*	4 to 3
5	FC	FC	FC	FC
6	6 to 7c	6 to 7c	6 to 7c*	6 to 7c
7a	7a to 7c	7a to 7c	7a to 7c*	7a to 7c
7c	FC	FC	7c to 5	FC

FC = Fully Credible

* The ratio is applied to the credibility adjusted aggregate morbidity factor, rather than the "raw" aggregate morbidity factor.

Table III-2-4-New Enrollee Post

	Under Age 65		Ages 65 and Over	
Priority Level	Inpatient	Outpatient	Inpatient	Outpatient
1	1 to 3*	1 to 3*	1 to 3*	1 to 3*
2	2 to 3*	2 to 3*	2 to 3*	2 to 3*
3	3 to 5	3 to 5	3 to 5	3 to 5
4	4 to 3*	4 to 3*	4 to 3*	4 to 3*
5	FC	FC	FC	FC
6	6 to 7c*	6 to 7c*	6 to 7c*	6 to 7c*
7a	7a to 7c*	7a to 7c*	7a to 7c*	7a to 7c*
7c	7c to 5	7c to 5	7c to 5	7c to 5

FC = Fully Credible

* The ratio is applied to the credibility adjusted aggregate morbidity factor, rather than the "raw" aggregate morbidity factor.

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The relativities among the aggregate morbidity factors by VISN were not fully credible for all of the inpatient and outpatient analyses based on the number of *reliant users* in each VISN. As such, the individual morbidity factors for each VISN and Priority Level were frequently not fully credible. The following formula was used to calculate credibility adjusted morbidity factors by VISN and Priority Level:

$$C = Z \times r \times H + (1 - Z) \times H, \text{ where}$$

C is the credibility adjusted morbidity factors,
Z is the credibility weights ($Z = N \div 2{,}000$ (inpatient) and $N \div 1{,}000$ (outpatient) and $0 \le Z \le 1$),
N is the number of *reliant users*,
r is the VISN ratios described below, and
H is the aggregate morbidity factors described below.

For each Priority Level, the value for H is the credibility adjusted aggregate relative morbidity factor for all *reliant users* in that Priority Level. This is the best estimate of relative morbidity, given the available information. For each VISN, the value *r* reflects the ratio of the relative morbidity of the VISN to the result if the VISN's *reliant users* all had the aggregate relative morbidity for their Priority Level. For VISNs that were not fully credible, the credibility adjusted aggregate relative morbidity factor for a particular Priority Level was used to the extent the VISN was not credible. This credibility adjustment was similar to the one used for determining the aggregate credibility adjusted morbidity factor by Priority Level. Thus, for each VISN and Priority Level cell, the value $r \times H$ represents the VISN's non-credibility-adjusted relative morbidity factor.

The Physical Component Scale (PCS) and Mental Component Scale (MCS) scores developed in the SF-36 and SF-36 Veterans Surveys were used to validate the overall level of relative morbidity estimated using the above methodology. The diagnosis-based morbidity factors attempt to measure the difference in relative morbidity between private sector utilization and veteran utilization. There is concern that the diagnosis data captured by VA and the risk adjustment process may not fully reflect the difference in morbidity. This could be due to the fact that the survey respondents who indicated 100% reliance on VA for their health care needs may not truly be 100% reliant. If this is the case, then all of the diagnoses for an enrollee were

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not captured. The mean Physical Component Scale (PCS) and Mental Component Scale (MCS) scores from the SF–36 and SF–36 Veterans Surveys for the general U.S. population, adjusted for age and gender of the enrollee population, were determined. Then the diagnosis-based relative morbidity scores associated with the enrollees with mean PCS and MCS scores were calculated. It was expected that the relative morbidity scores would be near 1.00. However, this was not the case. An additional adjustment was made to the relative morbidity scores to account for this difference.

Age Band Adjustments

For the FY04 ELDA, a further analysis of morbidity for Ages 65 and Over was conducted to examine relative morbidity by age. It was discovered that, as veterans get older, their absolute morbidity tends to increase, and morbidity rates remain higher than those in a standard Medicare population. However, the rate of morbidity increase is lower in the veteran population than in the Medicare population, and therefore, the morbidity of veterans relative to the standard Medicare population decreases.

In order to model the decreases in relative morbidity, morbidity scores for the Ages 65 and Over population were summarized by five-year age bands, Enrollee Type, Priority Level and HSC. Data was not summarized by VISN in order to increase the number of observations in each cell; it was assumed that age band impacts would not vary across VISNs.

The age-banded morbidity scores were then divided by age-banded risk scores from CMS data. The resulting scores were then further divided by the composite relative reliance factors across the entire Ages 65 and Over population. The resulting factors showed a reasonably smooth downward progression, except in the 85+ age band, and in Priority Levels 6 and 7a. The data inconsistencies in the 85+ age band were attributed to the relatively smaller data sample, as well as potentially larger differences in the average age of the two data samples due to the large age range. Therefore, results for the 85+ population were geometrically extrapolated from the results for those ages 75-79 and ages 80-84. Data inconsistencies in Priority Levels 6 and 7a were also attributed to the small sample sizes, and therefore, the age band trends calculated for Priority Level 7c were used.

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The resulting age band factors were compounded multiplicatively with the basic VISN, Enrollee Type, Priority Level and HSC relative score in the enrollee projection model. Therefore, the relative mortality score for a veteran Ages 65 and Over is equal to the product of the score by VISN, Enrollee Type, Priority Level and HSC multiplied by an adjustment factor by age band. As a result of the methods used to calculate the age bands, these factors averaged to approximately 1.0, and therefore, the average morbidity factor was unaffected by the age band analysis.

Due to the relative lack of under age 65 data, similar analyses could not be performed for that segment of the population, and therefore, it was assumed that the Under Age 65 morbidity remained a constant multiple of a typical commercial population for a given Priority Level, VISN, Enrollee Type and HSC.

Cohorts

Several independent sources have indicated that there can be significant discontinuities in morbidity between veterans from the Vietnam-era and later, and those from eras prior to Vietnam. These groups of veterans can be approximately classified as those under age 65 during FY 2002 and those ages 65 and older during FY 2002.

In order to reflect these discontinuities, it was determined that morbidity factors should follow veterans based on their year of birth, rather than based on their attained age. Thus, the morbidity factors developed for veterans Ages 65 and Over were applied only to veterans with an attained age greater than 64 during FY 2002. For all other veterans, the morbidity factors developed for veterans Under Age 65 were applied. For those veterans who turn 65 after FY 2002, the Age Band adjustments developed for Ages 65 and Over were applied to the Under Age 65 morbidity factors.

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Section III-3
Reliance Adjustments

Background

The underlying private sector utilization in the VA Enrollee Health Care Projection Model is based upon data that includes 100% of a member's health care utilization. These utilization measures overstate veteran Enrollee utilization within the VA Health Care System, since many of the Enrollees have other health care providers (via employment, Medicare or Medicaid). The reliance adjustment calculates the expected utilization of VA health care services after removing those services that are expected to be provided to veterans from outside of the VA Health Care System. A complete analysis for calculating reliance adjustments was conducted for the FY04 ELDA.

Reliance factors were calculated separately for the Ages 65 and Over and Under Age 65 populations, since it was expected that the availability of Medicare at age 65 would alter reliance upon VHA. The Ages 65 and Over reliance factors for the FY04 ELDA were developed using actual utilization data obtained from VHA and from CMS. Credibility adjustments were applied where necessary. The Under Age 65 reliance factors were developed based on the credibility adjusted Ages 65 and Over reliance factors, as well as the responses to VHA and non-VHA health care utilization questions in the 2002 SOE. The data obtained from these surveys was also adjusted for credibility.

Specific steps in the calculation of the reliance adjustments are shown below. Details on each of the steps are contained later in this subsection.

1. Calculate CMS utilization during FY 2001 for veterans Ages 65 and Over enrolled during FY 2001;
2. Calculate VHA utilization during FY 2001 for veterans Ages 65 and Over enrolled during FY 2001;
3. Combine utilization data with demographic information for each enrollee and calculate reliance by individual;
4. Adjust the preliminary reliance factors for the removal of carved-out services;

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5. Summarize individual information and develop preliminary reliance factors for Ages 65 and Over enrollees;
6. Adjust the factors for credibility;
7. Calculate raw reliance factors for Ages 65 and Over and Under Age 65 populations using the 2002 SOE;
8. Adjust the survey results for credibility;
9. Calculate reliance factors for the Under Age 65 population based on the Ages 65 and Over factors calculated in Steps 1 through 6 and the relative Under Age 65 vs. Ages 65 and Over reliance calculated in Steps 7 and 8;
10. Adjust the results produced in Steps 6 and 9 to specific geographic markets.

Results

The methodology shown above was used to produce reliance factors separately for four types of inpatient services and for twelve types of outpatient services. Reliance factors in Steps 6 and 9 were developed for each combination of the following demographic factors:

1. VISN.
2. Priority Level. For purposes of these calculations, Priority Levels 1a and 1b were combined.
3. Age Band. Ages were divided into Ages 65 and Over and Under Age 65 categories only. Available data was not sufficiently credible to allow for any further banding of reliance factors Under Age 65.
4. Enrollee Type. Enrollee Pre is defined as those who were users of the VA Health Care System prior to October 1, 1999 and enrolled prior to April 1, 2000; all other enrollees are considered to be Enrollee Post.

Exhibit III-3-1 shows final results for all 16 inpatient and outpatient service categories, with comparisons to the reliance factors used in the FY03 ELDA.

In the final application of the reliance factors within the model, further adjustments were made to reflect differences in reliance rates for markets within each VISN. The calculation and application of these results are discussed later in this subsection. Exhibit III-3-2 outlines the

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markets that had the highest increases or decreases in reliance as a result of these market adjustments.

Calculation of Ages 65 and Over Reliance

1. Calculation of CMS Utilization

Total CMS utilization for each enrolled veteran was calculated based on the complete FY 2001 file developed from the Standard Analytical Files for CY 2000 and CY 2001 produced by CMS. The methodology and computer programs for this step were designed by Milliman and performed by VA's Medicare Analysis Center. Total inpatient days for each veteran were assigned to four broad inpatient categories based on the stay's DRG. The four categories are Medical, Surgical, Psychiatric and Substance Abuse. The total number of outpatient services performed, based on the frequency of billed CPT-4 and HCPCS codes, were also counted for each veteran. These services were classified into twelve major categories:

- Office, Home and Urgent Care Visits
- Emergency Room Visits
- Outpatient Psychiatric and Substance Abuse
- Physical Exams
- Physical Medicine
- Cardiovascular
- Immunizations
- Surgery (outpatient and office only)
- Radiology
- Pathology
- Other Visits
- Other Procedures

2. Calculation of Total VHA Utilization

Total VHA utilization was calculated for each enrolled veteran. This calculation was based on the FY 2001 workload file. For the inpatient workload, only acute care stays were studied and total days in each of the four inpatient categories listed above were counted. For the outpatient

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workload, the total number of billable CPT codes were counted and classified into the twelve outpatient categories listed above. Pathology workload was modified to more closely reflect private sector billing practices. Specifically, groups of laboratory procedures were grouped into single laboratory panels and given a count of one. In addition, each veteran was limited to one office visit per clinic stop per day, under the presumption that multiple billings of the same office visit CPT during the same clinic stop during the same day reflect billings from non-physician providers.

3. Inclusion of Demographic Information

CMS claims were "matched" to the VHA workload for each enrolled veteran age 65 or older. A raw reliance factor for each veteran was calculated for each category of care based on the percentage of services provided by VHA. For example, a veteran with three VHA office visits and two CMS office visits would have a raw reliance factor of 60% (3 ÷ 5) for Office Visits. Demographic information including age, Enrollee Type, VISN, and Priority Level was combined with the utilization information.

In addition, each veteran in the study was identified as not eligible for Medicare benefits, eligible for Medicare benefits and not enrolled in a Medicare+Choice plan or eligible for Medicare benefits and enrolled in a Medicare+Choice plan. Veteran enrollees who were members of Medicare+Choice plans at any time during FY 2001 were excluded from the aggregation because their CMS data is considered incomplete.

4. Adjust Results to Reflect Carve-Out of Special Services

Beginning with the FY04 ELDA, a change was made in the calculation of VHA baseline actual workload. Services which are performed at VHA facilities, but for which equivalent services are not available under Medicare or in the commercial arena were removed from baseline services projected using private sector benchmarks and reported separately. At the time reliance data was provided by VA's Medicare Analysis Center, the carved-out services had not yet been identified, and therefore, resulting reliance factors would be overstated. Exhibit III-3-3 shows a complete listing of the services that were carved-out of the VA workload database. The following methodology was implemented in order to adjust reliance, on an approximate basis, for the effect

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of the carved-out services. The methodology was discussed in a conference call with and approved by Art Klein, Assistant Deputy Under Secretary for Health.

The first step in accounting for the carve-out was the calculation of the number of carved-out VHA services for each user, by service type. This number was then compared to the total number of services (by service type) for that user to determine the percentage of services that were carved-out. This percentage was then aggregated across each combination of service type, Priority Level, VISN, Enrollee Type and age band by taking a simple average of all users within each cell.

Algebraically, it was determined that if the total number of VA services was reduced by x%, then the resulting reliance value, R', is reduced to

$$R' = (R - xR) \div (1 - xR), \text{ where}$$

R represents the reliance value prior to the carve-out of VA services, and
x represents the percentage of VA services removed.

This formula was applied to each cell to determine a revised reliance percentage. Where x and R were both equal to 1 (i.e. where the only services provided to that cell were VA special services), those cells were removed from the reliance analysis, since they became non-users after the removal of special services. Where x was equal to 1 but R was less than 1 (i.e. where the only VA services provided to that cell were special services but there were Medicare services also provided), those cells were maintained in this analysis as 0% reliant users.

5. Summarize Adjusted Raw Reliance

The adjusted raw reliance factors were aggregated across all health care users (VA or CMS) ages 66 and over within the same Priority Level, VISN and Enrollee Type; age 65 users were excluded, since their Medicare coverage was not in effect for the entire year, and therefore, reliance may be overstated. The aggregate reliance for a category of care is the simple average of the individual raw reliance factors for the users in that category of care; all users are equally weighted regardless of their total number of utilizations. For example, if a category consisted of

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two individuals, one with a raw reliance factor of 50% and one with a raw reliance factor of 100%, the aggregate reliance for that category would be 75% (50% + 100% ÷ 2).

6. Adjust Results for Credibility

The carve-out adjusted reliance factors were further adjusted based on credibility analysis. The reliance factors developed in Step 5 were not fully credible in all cells (i.e., the number of respondents that were health care users for a particular service type, Enrollee Type, VISN and Priority Level were sometimes quite small). The full credibility approach described in section 5.3 of Introduction to Credibility Theory, (2^{nd} edition, by Thomas N. Herzog, Actex Publications, Winsted, CT, 1994) was used to establish full credibility for the analysis as 30 users of health care within a cell. The partial credibility approach in section 5.4 of the same text was used to develop the final credibility adjusted reliance factors. The formula used for a given cell is:

$$C = Z \times R + (1 - Z) \times H, \text{ where}$$

C is the credibility adjusted reliance factor,
Z is the credibility weight ($Z = N \div 30$ and $0 \leq Z \leq 1$),
N is the number of users of health care,
R is the specific reliance factor calculated in step 2, and
H is the *universal* reliance factor calculated below.

The universal factor for each cell is a product of the reliance for that cell's Priority Level, relative to all other Priority Levels, and the reliance for that cell's VISN, relative to all other VISNs. In the calculation of these VISN and Priority Level reliance factors, weights applied were based on the total number of users with the same Enrollee Type. For example, the universal factor for Enrollee Pre in VISN 6 was equal to the weighted average of the Enrollee Pre VISN 6 raw reliance across all Priority Levels, but where the weights were based on the relative number of Enrollee Pre lives across Priority Levels for all VISNs, not only VISN 6. This weighting method ensured that any differences in Priority Level mix between VISNs would not be double-counted in the analysis.

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In calculating the universal reliance factors, it was necessary to have an estimated reliance value even when there were no users in a given cell. Certain cells in Priority Levels 6 and 7a had no users. For those cells, the estimated reliance for Priority Level 7c in the same VISN was used as a proxy.

Due to the relatively small number of users (under 1,000), the Enrollee Post universal reliance factors for inpatient substance abuse were deemed to be not fully credible. Therefore, the universal factors were set equal to the equivalent universal factors for Enrollee Pre, adjusted for the difference in total aggregate inpatient substance abuse reliance for Enrollee Post vs. Enrollee Pre. Full credibility was attached to all other universal reliance factors.

A small number of cells exhibited 0% reliance even after credibility adjustments. For these cells the reliance was set equal to half of the lowest credibility adjusted reliance factor for all other VISNs within that Priority Level. This was done to guarantee that no final reliance factors of 0% were produced.

Calculation of Under Age 65 Reliance

7. Calculation of Enrollee Survey Reliance

Responses to the health care utilization questions on the 2002 SOE were tabulated to produce total inpatient and total outpatient utilization for each survey respondent. Inpatient utilization was based upon the number of reported VA and non-VA days of inpatient stays, while outpatient utilization was based upon the number of reported VA and non-VA visits. The responses given in the survey were relied upon with little interpretation. The responses were not validated for consistency with responses to related questions.

Preliminary reliance factors were calculated by individual using the number of VA days or visits divided by the sum of VA days or visits and non-VA days or visits for an individual. These calculations were performed separately for inpatient and outpatient services. The resulting inpatient and outpatient individual reliance factors were aggregated by VISN, Priority Level, Enrollee Type and age (65 and Over vs. Under Age 65). As with the Ages 65 and Over analysis in Step 5, the average across individuals was determined as the arithmetic average of the individual reliance factors, and did not reflect the relative total utilizations by individual.

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8. Credibility Adjustment of Survey Results

As with the Ages 65 and Over analysis, it was determined that 30 values were necessary to declare a cell to be fully credible. Since survey results are available only for survey respondents, the number of values available was significantly smaller than for the Ages 65 and Over analysis, and therefore, several cells were not sufficiently credible by themselves. The process used to create fully credible factors was similar to that used to produce fully credible factors for Ages 65 and Over, except that universal reliance factors were weighted using the entire enrollee population, by Enrollee Type, as opposed to only survey respondents. The number of survey respondents was still used to determine the credibility of each cell.

9. Calculation of Under Age 65 Reliance Factors

Under Age 65 reliance factors were calculated using the Ages 65 and Over reliance factors developed by VISN, Priority Level, Enrollee Type and Health Service Category (HSC - 4 inpatient and 12 outpatient categories) in combination with the 2002 SOE reliance summarized by VISN, Priority Level, Enrollee Type and service type (inpatient and outpatient only). The relationship of the Ages 65 and Over reliance factors to the results from the 2002 SOE for those Ages 65 and Over was applied to the Under Age 65 SOE results to estimate reliance for all 4 inpatient and 12 outpatient categories. Exhibit III-3-4 shows a mapping of VA benefit categories to the HSCs.

All of the relative relationships were based on the percentage change, toward either 0% or 100% reliance, from the "Base" reliance factors to the "Target" reliance factors. As an example, assume the following:

1. The Ages 65 and Over reliance factor for outpatient services from the SOE is 60% for Priority Level 5 ("Base")
2. The Ages 65 and Over Physical Exams reliance factor for Priority Level 5 is 90% ("Target"),
3. The Under Age 65 reliance factor for outpatient services from the SOE is 60% for Priority Level 5 ("Under Age 65 Base")

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Based on (1) and (2) above, the adjustment to the FY04 ELDA Under Age 65 survey-based Priority Level 5 outpatient reliance factor is 75% towards 100% [(90% – 60%) ÷ (100% – 60%)]. Therefore, adjusting the initial reliance level of 65% by the same percentage towards 100%, leads to a final reliance factor of 91.3% [75% × (100% – 65%) + 65%] and in turn, the reliance factor for Priority Level 5 Physical Exams is 91.3% for Under Age 65 enrollees.

If the "target" is less than the "base," then the calculation follows the same methods as above, but using 0% instead of 100%. This formula reduces to:

Under Age 65 Base × Target ÷ Base

Geographic Market Adjustments

It has been suggested that a VISN level analysis is not sufficiently detailed to capture all of the geographic variation in reliance. Specifically, certain markets exhibit significantly higher or lower reliance than others within the same VISN. An analysis was performed for the FY04 ELDA to examine relative reliance rates within each VISN.

Due to the relatively small number of exposures for some markets, the complete reliance analysis described above could not be performed with sufficient credibility if the VISN categories were replaced by markets. Therefore, a separate analysis was required to determine the relative reliance rates of markets within a given VISN.

Development of Factors

Modeled reliance factors by service type, Enrollee Type, Priority Level and VISN were compared to actual reliance factors for all users Ages 65 and Over. Results were then aggregated across all Priority Levels and Enrollee Types to produce actual and modeled reliance rates by market and type of service. Consistent with other reliance calculations, rates were aggregated by taking an arithmetic average of the reliance rates by person without considering the total number of services used by person.

Next, results were aggregated across service types to produce a single inpatient and a single outpatient factor by market. For inpatient services, the four reliance categories were aggregated

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based upon the total number of days of inpatient stays. Outpatient services were aggregated based on relative Per Member Per Month costs. Exhibit III-3-5 shows a simplified example of the aggregation calculations for two markets, each with two Priority Levels and two types of outpatient services.

Application of Market Factors

From the process outlined above, single outpatient and inpatient reliance factors were produced for each market, and for each VISN in steps 1 and 2 below. The relative differences between the market and overall VISN factors were then compared, leading to adjustments to the reliance levels for each of the 4 inpatient and 12 outpatient service categories used in the model (steps 3 and 4). The adjustments calculations are as follows:

1. Determine the allowable VISN range variation. If the VISN reliance factor, R_v, is below 50%, this range is from 0 to $2R_v$. For values of R_v above 50%, the range extends from (2 x R_v – 1) to 1. For example, if the overall reliance factor for a VISN is 60%, then the range would extend from 20% to 100%.
2. Determine the relative point, R_p, in the range for each market with the VISN. The formula for this calculation is:

   $R_p = (R_m – R_v) \div (R_v – R_{min})$, where

   R_m is the factor calculated for the specific market,
   R_v is the factor calculated for the overall VISN, and
   R_{min} is the bottom value in the range calculated in Step 1

   For example, continuing the example from Step 1, if a specific market within the VISN had a reliance factor of 70%, then the relative point, R_p, would be equal to 25% [(70% - 60%) ÷ (60% - 20%)].
3. For each service type, Priority Level, age group (Under Age 65 or Ages 65 and Over) and Enrollee Type within that VISN, determine the range variation using the same methodology as step 1. Continuing the example, consider a cell where the reliance factor before market adjustments, R_c, is 30%, and therefore, the range is from 0% to 60%.
4. Based on the relative point, R_p, determine the adjusted value of the reliance factor, R_c', using the formula:

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$R_c' = R_c + R_p \times (R_c - R_{cmin})$, where

R_c is the initial reliance factor for the cell (by service type, Priority Level, and age band),
R_p is the relative point from Step 2, and
R_{cmin} is the bottom of the range for the current reliance factor from Step 3.

To conclude the example, the new reliance factor would be equal to 37.5% [(30% + 25% × (30% - 0%)].

Prescription Drug Reliance

A separate set of reliance factors were calculated for Prescription Drugs by adjusting each Outpatient reliance factor a certain percent of the way toward 100%. The percent adjustment was 25% and 50% for Under Age 65 and Ages 65 and Over, respectively. This adjustment was made to account for the fact that many of the veterans have increased reliance on VA for Prescription Drugs compared to other Outpatient services, since coverage is either less or non-existent (i.e., Medicare) in the private sector.

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Exhibit III-3-1a
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP Medical
Enrollee Type: Pre
Age Group Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	32.2%	21.8%	21.9%	32.0%	26.5%	25.3%	11.7%	9.5%
2	45.0%	33.9%	30.4%	49.0%	33.8%	24.6%	11.1%	13.4%
3	36.2%	25.9%	21.7%	46.6%	32.8%	29.7%	12.4%	9.3%
4	33.4%	23.9%	22.5%	41.2%	27.2%	27.6%	9.1%	6.4%
5	42.0%	27.1%	30.5%	52.0%	39.7%	30.3%	25.5%	11.3%
6	45.4%	34.1%	34.4%	46.8%	38.0%	21.5%	16.6%	13.8%
7	34.1%	27.5%	26.4%	40.7%	33.2%	21.0%	19.9%	9.9%
8	42.8%	27.7%	27.9%	52.3%	38.0%	28.1%	9.9%	8.8%
9	44.3%	37.3%	37.6%	53.8%	42.1%	23.7%	34.5%	18.6%
10	34.8%	27.2%	24.5%	43.4%	26.3%	25.0%	11.1%	7.2%
11	33.0%	27.6%	25.2%	40.9%	29.4%	25.0%	11.0%	11.0%
12	38.6%	27.8%	26.2%	48.2%	33.8%	20.7%	13.6%	11.5%
15	41.5%	33.9%	32.6%	46.6%	37.5%	14.6%	13.3%	12.6%
16	34.5%	27.3%	28.1%	40.3%	35.3%	23.3%	13.3%	13.4%
17	45.3%	32.0%	33.5%	45.1%	39.3%	33.5%	17.9%	12.0%
18	49.6%	38.9%	39.3%	50.9%	40.4%	26.5%	19.5%	15.9%
19	48.3%	35.4%	36.6%	48.8%	39.7%	19.6%	24.7%	14.9%
20	58.5%	44.6%	40.7%	54.2%	45.9%	18.1%	32.7%	17.9%
21	47.9%	36.4%	35.9%	43.1%	37.9%	24.4%	12.5%	16.6%
22	48.3%	41.3%	35.2%	44.3%	41.9%	29.2%	12.0%	17.6%
23	43.2%	34.7%	31.6%	45.8%	38.1%	18.7%	18.2%	16.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	40.5%	24.9%	27.6%	43.0%	33.1%	13.9%	19.3%	11.5%
2	44.8%	32.7%	31.9%	53.7%	35.4%	25.3%	31.4%	12.4%
3	39.8%	27.6%	25.8%	51.9%	33.2%	33.6%	18.4%	9.3%
4	34.2%	24.0%	22.7%	46.6%	27.0%	24.1%	16.7%	6.1%
5	45.7%	38.0%	34.8%	59.8%	41.0%	36.9%	25.0%	12.0%
6	46.6%	37.7%	35.8%	49.2%	39.7%	26.3%	25.6%	15.3%
7	37.6%	26.6%	26.8%	45.9%	33.7%	23.2%	20.2%	12.1%
8	43.4%	30.3%	27.1%	54.2%	37.9%	26.0%	12.7%	8.6%
9	48.5%	37.7%	36.7%	52.4%	42.6%	14.0%	34.5%	18.8%
10	34.1%	23.4%	27.2%	51.5%	27.2%	13.2%	9.7%	9.2%
11	36.4%	28.0%	26.6%	49.1%	30.6%	15.6%	16.1%	11.3%
12	43.7%	29.3%	28.5%	51.3%	33.2%	39.3%	29.0%	13.5%
15	46.3%	35.4%	35.9%	54.7%	40.3%	30.9%	21.4%	14.7%
16	36.6%	29.3%	31.5%	44.0%	36.2%	15.8%	23.3%	12.7%
17	46.4%	38.6%	35.3%	47.6%	42.5%	18.5%	12.5%	16.2%
18	47.8%	37.7%	35.0%	56.0%	41.8%	27.0%	21.5%	13.2%
19	52.6%	36.2%	40.6%	54.1%	44.0%	32.7%	27.1%	18.3%
20	59.3%	48.6%	47.2%	61.3%	49.9%	37.3%	24.0%	20.1%
21	50.3%	33.0%	35.3%	48.7%	39.6%	29.6%	21.6%	14.7%
22	48.7%	37.5%	30.9%	43.9%	35.1%	21.9%	13.5%	14.1%
13	51.3%	38.3%	37.1%	54.2%	45.5%	38.9%	28.3%	22.3%
14	35.2%	28.8%	28.2%	49.6%	34.8%	18.9%	19.0%	11.4%

Service Type: IP Medical
Enrollee Type: Pre
Age Group Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	49.5%	24.9%	23.6%	36.4%	45.8%	41.9%	12.0%	19.1%
2	39.3%	28.3%	27.4%	46.2%	34.3%	27.8%	8.4%	25.1%
3	39.1%	30.8%	25.3%	53.0%	41.0%	38.2%	18.4%	33.6%
4	53.0%	42.1%	49.3%	56.6%	50.2%	55.1%	17.3%	29.0%
5	51.1%	38.2%	49.6%	56.0%	68.5%	51.3%	38.2%	34.2%
6	42.0%	35.9%	40.4%	46.5%	47.2%	35.8%	20.0%	24.9%
7	37.3%	33.9%	35.9%	63.0%	43.8%	29.9%	25.6%	21.5%
8	54.1%	34.7%	51.5%	60.6%	69.5%	50.3%	33.3%	42.2%
9	37.1%	35.0%	38.5%	55.1%	38.7%	29.4%	30.4%	42.1%
10	36.1%	36.0%	36.7%	59.9%	46.6%	34.4%	17.5%	15.4%
11	47.8%	40.1%	39.3%	57.9%	40.2%	44.0%	18.9%	52.7%
12	38.9%	30.5%	27.7%	46.8%	36.8%	27.3%	18.8%	45.6%
15	38.8%	34.7%	35.0%	49.1%	41.6%	23.4%	20.0%	23.9%
16	26.5%	30.5%	36.4%	58.0%	52.1%	45.0%	16.5%	20.3%
17	56.0%	32.7%	47.7%	56.4%	49.6%	48.5%	20.6%	23.0%
18	61.7%	42.0%	39.4%	52.2%	58.1%	38.3%	20.8%	28.7%
19	76.4%	54.8%	66.6%	66.1%	64.7%	42.4%	38.7%	39.4%
20	68.8%	56.3%	44.0%	62.0%	67.8%	26.3%	36.3%	37.2%
21	50.3%	31.8%	32.7%	47.8%	46.6%	26.3%	14.4%	28.8%
22	63.0%	71.4%	66.2%	71.1%	81.5%	62.9%	27.8%	47.7%
23	41.6%	33.9%	31.4%	55.0%	36.4%	22.2%	19.1%	39.0%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	51.3%	39.7%	40.1%	55.9%	52.4%	17.2%	25.3%	32.4%
2	66.6%	56.1%	61.2%	86.1%	81.3%	26.9%	32.6%	30.5%
3	43.1%	27.9%	33.0%	51.2%	34.9%	24.5%	16.5%	18.6%
4	35.1%	22.6%	19.6%	39.1%	28.3%	14.1%	12.3%	11.9%
5	81.3%	65.9%	61.9%	91.1%	91.8%	36.9%	30.6%	35.2%
6	61.8%	45.8%	47.8%	62.0%	52.9%	35.8%	21.4%	20.6%
7	72.5%	31.7%	41.3%	69.6%	66.7%	21.9%	27.7%	24.9%
8	59.4%	60.2%	41.7%	68.6%	57.8%	31.6%	25.3%	25.5%
9	65.9%	54.4%	47.1%	71.4%	60.3%	29.3%	25.1%	31.3%
10	50.3%	49.7%	43.0%	65.8%	60.5%	29.8%	23.8%	29.9%
11	65.5%	60.0%	60.3%	74.1%	78.1%	36.5%	33.6%	38.0%
12	71.5%	45.3%	49.3%	76.3%	69.2%	39.9%	30.7%	27.1%
15	71.1%	53.9%	52.2%	81.2%	70.3%	38.9%	29.6%	26.2%
16	70.0%	49.0%	51.3%	80.0%	63.6%	34.3%	29.8%	30.8%
17	56.5%	40.0%	38.2%	62.4%	58.7%	28.5%	18.4%	29.7%
18	68.5%	64.1%	61.5%	85.3%	82.0%	42.9%	29.8%	33.0%
19	75.2%	52.4%	61.4%	80.4%	74.1%	37.6%	28.0%	36.2%
20	58.9%	46.2%	45.6%	79.6%	69.6%	40.1%	24.0%	28.2%
21	64.4%	53.1%	54.0%	76.2%	77.5%	34.7%	30.6%	31.6%
22	75.0%	69.8%	64.1%	85.0%	87.8%	37.7%	34.2%	36.9%
13	84.3%	63.8%	62.8%	92.2%	82.9%	49.6%	36.2%	38.3%
14	61.7%	54.5%	45.2%	67.4%	66.1%	28.0%	28.1%	33.7%

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Exhibit III-3-1b
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP Medical
Enrollee Type: Post
Age Group Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	9.5%	5.0%	6.2%	15.3%	8.6%	0.1%	4.4%	2.4%
2	11.2%	6.9%	7.3%	23.8%	12.6%	1.9%	2.4%	2.7%
3	9.3%	5.3%	4.3%	26.6%	11.9%	4.5%	4.6%	1.9%
4	9.8%	6.0%	6.2%	20.2%	9.2%	4.3%	2.5%	2.3%
5	14.0%	7.8%	12.6%	36.1%	20.2%	9.2%	1.0%	5.4%
6	13.4%	8.9%	9.4%	21.2%	15.7%	5.1%	5.6%	4.4%
7	10.5%	6.7%	7.4%	18.8%	14.2%	3.8%	3.9%	3.4%
8	14.7%	11.1%	9.1%	32.7%	21.3%	5.2%	1.4%	2.7%
9	8.2%	15.3%	14.5%	32.4%	22.3%	17.3%	7.0%	8.1%
10	9.4%	9.3%	7.1%	26.7%	9.0%	2.8%	10.2%	1.6%
11	9.8%	5.6%	5.5%	28.1%	11.7%	2.4%	0.9%	3.7%
12	7.6%	5.5%	8.4%	28.2%	13.3%	0.0%	4.3%	2.3%
15	8.6%	9.6%	8.2%	23.2%	14.5%	3.3%	2.6%	3.5%
16	11.4%	6.2%	8.4%	21.7%	15.3%	3.5%	5.7%	4.3%
17	13.4%	11.2%	7.2%	23.4%	20.7%	6.1%	10.0%	5.0%
18	19.3%	17.9%	15.0%	30.2%	25.5%	21.6%	8.0%	7.7%
19	14.8%	7.3%	11.8%	24.1%	17.7%	2.6%	9.9%	4.8%
20	20.3%	13.0%	12.3%	27.9%	23.0%	2.9%	7.5%	7.2%
21	14.7%	14.5%	11.1%	22.8%	16.3%	3.7%	10.2%	5.4%
22	16.2%	12.0%	14.1%	28.4%	20.3%	0.4%	1.6%	3.5%
23	11.9%	6.0%	6.9%	19.2%	13.2%	4.8%	3.5%	3.2%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	29.6%	22.2%	22.3%	36.9%	28.0%	24.9%	4.9%	3.1%
2	24.2%	24.0%	17.1%	44.4%	29.1%	27.1%	6.4%	3.7%
3	20.6%	29.6%	19.0%	43.1%	29.9%	21.5%	2.3%	2.2%
4	25.1%	24.3%	22.5%	38.5%	10.5%	22.3%	3.2%	1.7%
5	33.4%	23.6%	31.9%	50.0%	42.1%	34.5%	8.1%	8.9%
6	29.8%	19.5%	31.0%	40.3%	13.6%	28.8%	6.6%	4.1%
7	21.5%	26.3%	25.0%	35.8%	46.7%	27.4%	10.8%	8.7%
8	29.0%	24.0%	23.7%	38.0%	37.5%	28.0%	2.2%	5.1%
9	37.7%	38.6%	31.2%	52.7%	40.0%	35.2%	16.9%	3.4%
10	29.1%	24.9%	22.5%	44.0%	29.5%	23.6%	6.9%	10.0%
11	22.2%	25.9%	25.9%	50.5%	16.6%	27.5%	11.9%	1.9%
12	32.4%	21.8%	19.0%	48.5%	15.1%	21.9%	2.2%	1.8%
15	37.2%	25.5%	25.5%	44.7%	28.0%	31.7%	9.3%	1.8%
16	29.5%	22.9%	21.6%	40.6%	32.0%	27.9%	4.9%	3.1%
17	22.2%	18.6%	22.7%	40.9%	37.3%	35.4%	8.5%	3.2%
18	28.8%	28.8%	34.9%	47.5%	37.7%	29.8%	7.3%	4.6%
19	24.9%	27.9%	28.5%	45.5%	25.3%	33.9%	5.3%	2.3%
20	40.3%	40.0%	29.9%	45.2%	43.0%	40.0%	13.3%	3.8%
21	32.2%	20.4%	24.5%	39.5%	23.1%	27.6%	9.7%	2.5%
22	34.5%	35.7%	22.6%	50.7%	36.4%	28.5%	7.9%	3.8%
13	34.5%	23.2%	26.1%	42.0%	14.0%	32.3%	4.5%	2.0%
14	22.5%	20.8%	17.9%	32.7%	8.5%	20.5%	5.4%	2.4%

Service Type: IP Medical
Enrollee Type: Post
Age Group Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	23.1%	11.6%	14.6%	21.0%	22.7%	0.2%	35.6%	6.7%
2	38.7%	20.7%	23.4%	36.9%	52.1%	6.0%	31.0%	12.7%
3	17.9%	15.3%	12.6%	40.7%	22.5%	4.9%	18.8%	16.5%
4	18.0%	13.3%	25.7%	28.2%	27.8%	10.5%	20.0%	12.8%
5	43.1%	18.2%	30.6%	56.7%	59.8%	13.7%	14.0%	30.8%
6	34.5%	12.2%	15.0%	34.4%	35.7%	7.3%	37.2%	20.3%
7	16.0%	9.6%	14.3%	33.7%	30.9%	7.7%	8.5%	12.7%
8	28.0%	22.4%	29.2%	39.2%	39.7%	12.0%	22.5%	25.4%
9	31.5%	26.3%	62.4%	73.0%	78.4%	25.8%	48.2%	43.9%
10	21.3%	16.2%	25.3%	66.6%	37.9%	9.6%	26.4%	21.1%
11	15.9%	9.6%	11.1%	48.0%	20.1%	5.6%	8.9%	22.4%
12	21.7%	16.4%	27.2%	36.2%	46.2%	0.2%	39.3%	9.8%
15	14.7%	14.0%	23.0%	29.1%	28.9%	7.3%	21.3%	8.2%
16	23.6%	11.3%	18.5%	33.8%	33.4%	9.1%	24.8%	17.7%
17	38.6%	24.0%	16.6%	29.6%	36.1%	9.9%	37.0%	20.8%
18	41.4%	30.1%	35.2%	46.8%	45.3%	21.7%	34.4%	38.1%
19	20.1%	9.0%	24.2%	33.3%	26.4%	3.1%	28.3%	10.4%
20	26.6%	13.7%	13.3%	33.3%	19.5%	1.8%	28.8%	9.9%
21	40.4%	17.0%	29.5%	25.8%	30.4%	5.8%	30.5%	27.2%
22	18.6%	5.8%	19.2%	28.9%	21.5%	0.4%	9.2%	6.0%
23	39.9%	32.8%	23.5%	39.1%	75.2%	26.8%	33.3%	20.7%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	21.9%	31.6%	13.4%	43.2%	43.6%	12.5%	13.9%	16.8%
2	8.8%	14.2%	5.7%	12.2%	19.5%	6.3%	10.2%	12.0%
3	10.7%	29.6%	8.7%	25.7%	35.7%	8.9%	12.6%	17.4%
4	12.9%	29.7%	11.7%	22.9%	32.9%	9.8%	12.5%	10.4%
5	12.8%	23.5%	11.6%	26.6%	37.8%	10.0%	11.1%	10.2%
6	14.1%	19.0%	15.8%	29.0%	55.2%	11.6%	12.2%	27.8%
7	7.6%	17.0%	6.4%	20.7%	12.3%	6.1%	10.0%	22.0%
8	6.0%	17.1%	5.5%	9.6%	8.2%	6.9%	9.5%	5.9%
9	14.5%	21.1%	14.5%	24.6%	17.2%	11.1%	14.2%	12.3%
10	12.6%	27.7%	9.3%	24.3%	42.1%	10.1%	11.7%	17.8%
11	11.6%	24.5%	12.7%	23.7%	28.6%	13.8%	12.6%	8.6%
12	12.2%	14.3%	6.9%	18.2%	23.4%	8.8%	10.8%	17.3%
15	15.8%	23.6%	12.4%	23.1%	53.5%	11.0%	11.7%	22.4%
16	12.3%	21.4%	10.4%	27.7%	48.3%	11.1%	12.7%	13.6%
17	19.7%	28.2%	12.3%	34.6%	40.0%	11.2%	12.7%	12.6%
18	27.0%	45.7%	19.8%	47.8%	63.1%	15.9%	13.9%	14.1%
19	16.3%	34.4%	15.8%	34.3%	51.8%	16.7%	11.0%	18.8%
20	14.6%	32.3%	11.1%	26.6%	58.8%	16.3%	11.9%	21.0%
21	13.8%	16.4%	15.2%	20.5%	32.0%	8.5%	10.8%	18.4%
22	15.8%	42.0%	15.0%	41.0%	33.1%	13.8%	14.1%	5.4%
13	10.3%	19.7%	6.1%	19.1%	14.0%	7.0%	11.1%	15.4%
14	11.1%	10.5%	5.5%	17.4%	15.0%	5.6%	10.8%	8.3%

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Exhibit III-3-1c
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP Surgical
Enrollee Type: Pre
Age Group Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	37.8%	22.2%	25.1%	50.6%	32.6%	14.3%	17.5%	9.2%
2	39.0%	29.4%	26.0%	63.1%	35.3%	13.0%	9.7%	11.3%
3	27.2%	20.1%	16.3%	49.2%	26.6%	17.7%	2.5%	5.6%
4	30.4%	21.1%	19.0%	44.8%	23.2%	15.0%	5.2%	4.9%
5	29.3%	26.8%	23.0%	52.8%	29.4%	15.7%	10.8%	7.1%
6	36.9%	27.6%	26.9%	50.1%	33.6%	15.6%	8.8%	8.5%
7	26.6%	23.1%	21.9%	45.9%	28.7%	13.7%	7.5%	8.9%
8	32.2%	21.0%	22.4%	51.5%	30.6%	17.7%	8.0%	6.9%
9	39.4%	28.1%	27.3%	57.6%	33.6%	8.9%	18.9%	12.6%
10	30.5%	23.1%	19.3%	48.6%	21.3%	10.4%	9.1%	6.1%
11	30.5%	23.1%	23.1%	53.7%	27.5%	29.8%	9.4%	7.4%
12	32.3%	21.9%	25.0%	56.5%	31.1%	11.7%	11.4%	8.2%
15	31.0%	27.8%	28.2%	51.6%	32.8%	14.7%	12.9%	11.7%
16	29.1%	26.5%	24.1%	47.2%	30.4%	4.5%	8.5%	10.2%
17	39.4%	35.8%	28.3%	51.9%	37.6%	25.9%	6.5%	10.0%
18	43.9%	31.4%	31.1%	54.4%	37.6%	20.2%	17.2%	8.3%
19	42.6%	36.0%	33.2%	62.6%	39.0%	18.6%	5.3%	11.4%
20	52.1%	45.2%	41.0%	69.1%	48.8%	28.9%	24.5%	12.7%
21	49.7%	38.3%	35.6%	57.3%	43.5%	20.6%	7.9%	14.7%
22	44.8%	39.2%	36.9%	50.4%	44.6%	20.9%	15.4%	14.4%
23	45.7%	30.8%	32.5%	60.9%	41.7%	28.2%	13.8%	13.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	42.2%	34.1%	30.9%	61.8%	41.9%	30.4%	20.5%	12.0%
2	39.0%	36.9%	27.8%	64.8%	34.4%	34.1%	30.2%	13.2%
3	34.3%	24.0%	18.8%	58.6%	32.2%	21.8%	14.6%	6.8%
4	27.4%	21.3%	17.5%	48.4%	23.8%	18.1%	8.7%	5.4%
5	35.6%	32.3%	33.8%	67.0%	37.5%	24.2%	26.4%	5.9%
6	44.0%	35.0%	33.7%	55.8%	39.3%	22.7%	22.9%	14.2%
7	35.3%	24.0%	26.1%	49.0%	34.1%	33.8%	17.9%	11.2%
8	37.9%	23.8%	22.5%	52.5%	33.1%	21.4%	5.4%	7.2%
9	46.8%	35.9%	31.2%	61.6%	42.1%	18.2%	23.3%	18.1%
10	31.9%	31.8%	23.2%	57.6%	27.0%	13.9%	2.8%	5.9%
11	40.1%	30.3%	27.6%	52.7%	33.6%	16.1%	9.5%	8.0%
12	41.9%	31.0%	29.2%	57.8%	35.4%	36.1%	19.3%	11.7%
15	41.4%	32.4%	32.2%	55.0%	38.8%	10.0%	11.7%	12.4%
16	35.1%	28.1%	29.1%	50.9%	38.4%	20.0%	17.4%	14.9%
17	41.3%	31.8%	29.9%	53.7%	41.4%	26.4%	15.9%	9.3%
18	44.8%	31.3%	32.0%	59.2%	41.2%	20.9%	16.2%	11.5%
19	43.9%	40.3%	39.6%	58.8%	45.8%	24.1%	28.9%	15.6%
20	58.2%	48.2%	42.3%	68.7%	53.3%	31.6%	23.7%	20.8%
21	56.5%	39.3%	42.4%	63.4%	44.7%	43.1%	19.0%	14.9%
22	48.0%	35.2%	32.1%	52.2%	40.3%	25.6%	15.8%	14.7%
13	54.0%	36.8%	38.9%	67.1%	53.4%	43.4%	26.3%	21.4%
14	34.4%	26.6%	32.9%	62.8%	41.7%	25.6%	11.8%	5.4%

Service Type: IP Surgical
Enrollee Type: Pre
Age Group Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	58.1%	25.4%	27.0%	57.7%	56.3%	23.7%	18.0%	18.3%
2	34.0%	24.5%	23.5%	59.5%	35.8%	14.7%	7.3%	21.1%
3	29.4%	23.9%	19.0%	55.9%	33.3%	23.0%	3.8%	20.3%
4	48.3%	37.2%	41.6%	61.5%	42.8%	30.5%	9.9%	22.2%
5	35.7%	37.8%	37.5%	56.8%	50.7%	26.6%	21.4%	21.7%
6	34.2%	29.1%	31.6%	49.8%	41.8%	25.9%	10.6%	15.3%
7	29.1%	28.4%	29.7%	71.0%	37.8%	19.5%	9.9%	19.3%
8	40.7%	26.4%	41.2%	59.7%	55.9%	32.1%	27.4%	33.0%
9	33.0%	26.3%	27.9%	59.0%	30.9%	11.1%	16.0%	28.5%
10	31.6%	30.5%	28.9%	67.1%	37.8%	14.3%	14.3%	13.1%
11	44.0%	33.5%	36.0%	76.1%	37.7%	52.0%	16.1%	38.3%
12	32.6%	24.0%	26.4%	54.8%	33.9%	15.4%	15.7%	42.1%
15	29.0%	28.4%	30.3%	54.4%	36.5%	23.6%	19.3%	22.2%
16	22.4%	29.6%	31.3%	68.0%	44.9%	8.8%	10.6%	15.4%
17	48.8%	36.7%	40.3%	65.0%	47.5%	37.5%	7.5%	19.2%
18	54.6%	33.9%	31.1%	55.8%	54.1%	29.2%	18.4%	15.1%
19	67.3%	55.8%	63.6%	84.8%	63.5%	40.4%	10.2%	30.2%
20	61.3%	57.0%	44.3%	79.0%	72.1%	41.9%	28.5%	26.3%
21	52.1%	33.5%	32.4%	63.4%	51.9%	22.2%	9.1%	25.5%
22	58.3%	67.7%	67.1%	80.8%	82.3%	56.9%	31.8%	39.2%
23	44.0%	30.1%	32.4%	73.1%	39.8%	33.6%	14.5%	31.9%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	53.5%	50.2%	44.1%	73.2%	61.3%	34.8%	26.6%	33.8%
2	57.9%	60.6%	53.5%	94.5%	79.1%	36.1%	31.4%	32.4%
3	37.1%	24.3%	24.3%	57.9%	33.7%	15.5%	13.0%	13.9%
4	28.2%	20.1%	15.0%	40.6%	25.0%	10.6%	6.4%	10.5%
5	63.2%	57.5%	60.2%	97.3%	84.0%	24.2%	32.3%	18.0%
6	58.3%	42.6%	45.1%	68.5%	52.3%	31.1%	19.2%	19.2%
7	68.1%	28.7%	40.1%	74.1%	67.4%	32.4%	25.0%	23.1%
8	51.9%	47.7%	34.9%	66.4%	50.4%	26.4%	11.5%	21.3%
9	63.6%	51.8%	40.1%	79.2%	59.6%	36.5%	17.0%	30.1%
10	47.1%	61.0%	36.6%	72.1%	59.9%	30.4%	6.8%	20.3%
11	71.6%	64.0%	62.5%	79.0%	82.8%	37.7%	21.0%	28.5%
12	68.5%	47.9%	50.6%	83.1%	73.8%	36.6%	20.5%	23.6%
15	63.5%	49.4%	46.7%	81.6%	67.7%	13.4%	16.4%	22.1%
16	67.3%	47.1%	47.5%	86.6%	67.0%	41.4%	22.3%	35.2%
17	50.3%	32.9%	32.3%	69.2%	57.1%	37.2%	23.2%	17.9%
18	64.3%	53.8%	56.2%	89.0%	80.8%	35.2%	22.5%	29.4%
19	63.1%	57.6%	59.9%	86.0%	76.9%	27.7%	29.9%	31.1%
20	57.8%	45.8%	40.8%	85.3%	73.5%	34.2%	23.7%	29.0%
21	70.8%	60.1%	61.1%	89.3%	82.9%	47.9%	26.9%	31.9%
22	73.9%	65.6%	66.5%	96.5%	96.1%	44.2%	37.6%	37.5%
13	88.1%	61.4%	65.8%	99.4%	90.8%	54.2%	33.6%	36.8%
14	60.3%	50.3%	51.0%	79.6%	74.0%	37.8%	18.1%	17.6%

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Exhibit III-3-1d
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP Surgical
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	8.2%	5.6%	6.2%	21.2%	11.5%	2.4%	0.1%	3.2%
2	3.8%	2.3%	5.0%	34.4%	13.8%	5.5%	5.7%	2.5%
3	7.5%	3.9%	1.6%	29.4%	8.3%	1.1%	0.1%	1.3%
4	5.5%	3.0%	4.6%	16.3%	8.6%	7.3%	1.8%	1.2%
5	10.9%	3.5%	4.3%	32.0%	13.3%	2.4%	1.6%	2.0%
6	10.2%	12.9%	6.8%	28.7%	14.3%	4.3%	2.9%	3.5%
7	8.1%	7.2%	4.7%	25.5%	12.6%	6.5%	2.6%	2.7%
8	9.4%	10.7%	5.3%	32.9%	14.5%	4.0%	2.2%	2.1%
9	8.3%	9.3%	6.3%	42.8%	19.4%	11.1%	9.4%	3.9%
10	9.2%	5.9%	3.6%	36.4%	9.0%	1.7%	4.2%	1.1%
11	11.5%	4.1%	5.8%	29.5%	12.6%	1.3%	0.1%	2.1%
12	18.9%	6.0%	7.3%	37.0%	14.6%	1.5%	2.1%	1.9%
15	9.1%	10.0%	5.2%	32.9%	13.1%	2.9%	0.2%	2.2%
16	12.7%	8.4%	8.5%	25.2%	15.7%	0.6%	5.8%	3.0%
17	10.4%	6.0%	7.8%	27.6%	20.6%	1.9%	3.3%	3.3%
18	21.7%	16.1%	11.7%	41.2%	22.9%	10.1%	4.5%	4.9%
19	17.5%	12.2%	6.9%	43.0%	17.4%	2.8%	10.1%	3.7%
20	19.4%	18.9%	12.4%	42.5%	28.3%	4.7%	3.5%	5.3%
21	23.7%	19.7%	13.7%	29.0%	21.3%	8.1%	4.3%	5.1%
22	15.0%	15.9%	13.6%	29.3%	23.4%	4.7%	3.6%	2.2%
23	12.4%	9.6%	7.7%	23.5%	14.2%	7.9%	4.3%	2.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	31.0%	25.3%	21.6%	46.9%	30.1%	21.5%	9.7%	3.3%
2	26.1%	25.6%	19.8%	45.8%	28.5%	23.8%	6.6%	4.1%
3	22.8%	22.8%	20.6%	42.6%	31.4%	19.1%	3.8%	1.2%
4	25.4%	19.1%	20.0%	41.1%	8.6%	19.1%	5.1%	1.4%
5	32.5%	27.8%	25.4%	58.9%	38.8%	24.7%	11.9%	9.9%
6	39.6%	28.0%	23.6%	60.8%	20.4%	25.0%	11.2%	1.9%
7	23.7%	39.0%	26.5%	40.6%	48.7%	25.9%	22.8%	7.9%
8	32.4%	24.8%	19.3%	48.4%	35.0%	23.3%	9.2%	6.6%
9	41.4%	36.3%	31.4%	66.4%	43.4%	28.6%	17.5%	2.5%
10	25.5%	21.3%	19.0%	39.3%	25.9%	18.9%	5.0%	9.2%
11	28.8%	24.2%	22.9%	55.6%	17.1%	22.8%	11.9%	3.0%
12	28.0%	24.5%	15.6%	43.2%	16.0%	19.5%	5.5%	1.7%
15	26.9%	28.5%	27.2%	39.0%	27.5%	21.2%	12.2%	1.6%
16	37.5%	32.8%	27.0%	51.3%	32.6%	24.5%	9.2%	3.2%
17	17.6%	15.5%	22.6%	49.0%	40.1%	23.7%	11.1%	6.7%
18	35.0%	34.8%	31.0%	60.0%	37.6%	25.1%	15.3%	3.6%
19	32.0%	26.1%	20.5%	59.6%	23.9%	24.6%	16.6%	2.2%
20	47.7%	34.8%	35.1%	83.5%	47.4%	30.8%	18.6%	3.9%
21	29.7%	26.4%	31.7%	53.3%	22.6%	25.3%	17.3%	3.3%
22	40.2%	28.3%	23.8%	61.6%	41.2%	25.0%	12.7%	10.2%
13	33.9%	27.2%	36.5%	46.6%	19.3%	24.6%	8.6%	2.1%
14	23.3%	20.1%	23.7%	37.8%	11.2%	22.8%	5.3%	3.7%

Service Type: IP Surgical
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	19.9%	13.1%	14.6%	29.0%	30.3%	4.8%	1.3%	8.9%
2	13.3%	6.9%	15.9%	53.5%	53.6%	15.6%	33.4%	11.6%
3	14.5%	11.2%	4.6%	44.9%	15.7%	1.2%	0.9%	10.8%
4	10.1%	6.6%	19.8%	22.7%	25.7%	16.2%	19.4%	6.3%
5	38.7%	8.3%	10.5%	50.3%	47.7%	3.7%	22.6%	13.9%
6	26.3%	17.7%	10.9%	46.6%	32.4%	6.2%	34.3%	16.0%
7	12.4%	10.5%	9.2%	45.6%	27.5%	11.6%	5.7%	10.1%
8	17.9%	21.6%	17.0%	39.6%	34.5%	10.9%	23.2%	24.9%
9	31.7%	16.0%	31.3%	88.7%	72.3%	20.2%	49.5%	21.1%
10	20.8%	10.3%	22.4%	71.0%	37.9%	8.1%	21.5%	19.8%
11	18.6%	7.0%	11.7%	50.4%	21.7%	3.0%	1.0%	21.1%
12	53.7%	18.0%	23.5%	47.5%	50.8%	5.8%	34.0%	8.3%
15	15.6%	14.6%	14.7%	41.3%	26.0%	6.5%	1.6%	5.2%
16	26.3%	15.2%	18.7%	39.4%	34.4%	1.5%	24.9%	12.2%
17	30.0%	12.9%	18.0%	34.9%	35.9%	3.1%	15.9%	13.6%
18	46.6%	27.2%	27.4%	63.9%	40.7%	10.1%	32.0%	31.0%
19	23.7%	15.2%	14.1%	59.5%	25.9%	3.4%	29.0%	8.0%
20	25.5%	20.0%	13.4%	50.9%	24.0%	2.9%	17.2%	7.3%
21	58.6%	23.0%	34.6%	32.8%	39.9%	12.7%	25.9%	26.9%
22	17.3%	7.6%	18.5%	29.8%	24.8%	4.8%	18.9%	3.7%
23	41.8%	47.4%	26.3%	47.8%	75.5%	29.7%	40.2%	17.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	23.7%	40.1%	12.4%	56.0%	49.7%	9.2%	19.0%	17.5%
2	10.7%	16.0%	8.8%	12.7%	18.9%	5.2%	10.4%	12.5%
3	13.7%	17.8%	10.9%	25.4%	39.7%	6.8%	14.4%	14.7%
4	13.2%	18.0%	8.9%	25.1%	27.6%	6.7%	14.3%	9.8%
5	12.3%	28.4%	7.6%	38.5%	34.0%	5.7%	15.2%	10.8%
6	22.9%	34.0%	9.4%	52.3%	62.0%	9.1%	17.2%	22.2%
7	9.2%	31.5%	6.9%	24.8%	14.7%	5.7%	18.0%	21.5%
8	6.7%	17.9%	4.3%	13.8%	7.0%	4.5%	16.0%	7.1%
9	18.9%	19.3%	14.7%	43.0%	20.6%	7.2%	14.5%	10.8%
10	10.1%	20.5%	6.3%	20.9%	31.9%	6.1%	10.8%	16.4%
11	19.3%	21.6%	9.6%	26.6%	29.2%	9.4%	12.7%	10.7%
12	9.9%	18.1%	3.6%	15.8%	24.9%	6.7%	14.0%	17.1%
15	8.9%	26.7%	14.2%	19.3%	53.1%	5.2%	14.5%	22.1%
16	20.5%	33.1%	16.5%	39.7%	49.3%	8.4%	18.1%	13.9%
17	9.7%	6.1%	12.1%	44.1%	44.5%	6.5%	14.9%	20.7%
18	34.9%	53.4%	15.9%	62.7%	62.7%	11.4%	22.2%	11.1%
19	24.6%	30.2%	8.1%	50.4%	49.7%	9.5%	20.1%	18.4%
20	23.6%	26.2%	17.7%	76.1%	61.8%	9.8%	18.4%	21.0%
21	12.2%	27.6%	24.0%	30.2%	31.1%	7.5%	14.2%	19.6%
22	19.5%	30.0%	16.9%	53.4%	37.9%	10.8%	19.5%	13.4%
13	10.1%	23.8%	12.1%	24.3%	19.9%	5.2%	15.6%	15.6%
14	12.1%	9.6%	10.7%	21.6%	19.6%	6.7%	10.8%	10.2%

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Exhibit III-3-1e
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP Psych
Enrollee Type: Pre
Age Group Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	61.3%	29.3%	26.5%	54.9%	24.8%	13.6%	19.1%	11.1%
2	67.7%	42.4%	23.0%	58.8%	29.6%	14.2%	22.4%	15.7%
3	59.7%	32.1%	27.3%	43.5%	22.7%	12.3%	13.8%	12.3%
4	60.9%	39.5%	32.1%	56.8%	25.5%	14.1%	14.5%	8.3%
5	66.3%	45.2%	47.0%	65.6%	38.2%	16.2%	21.6%	14.5%
6	72.1%	42.8%	45.2%	59.2%	38.1%	16.7%	22.0%	16.7%
7	52.2%	42.8%	36.0%	48.4%	29.5%	13.6%	14.6%	16.2%
8	65.8%	32.1%	34.8%	59.3%	24.5%	14.5%	18.0%	10.0%
9	67.5%	49.0%	44.5%	52.5%	27.4%	14.2%	18.2%	14.6%
10	55.7%	52.5%	31.6%	55.1%	32.6%	14.6%	15.7%	10.1%
11	51.6%	36.3%	19.9%	49.0%	24.0%	11.2%	14.0%	7.5%
12	58.3%	42.6%	37.8%	52.1%	30.1%	16.8%	15.3%	16.0%
15	63.8%	43.1%	30.2%	50.8%	37.6%	13.7%	15.3%	13.4%
16	54.0%	23.0%	29.9%	42.7%	20.7%	9.9%	16.1%	5.7%
17	72.3%	42.9%	52.5%	68.3%	39.3%	22.9%	23.5%	7.0%
18	60.7%	49.3%	31.1%	68.5%	32.7%	18.3%	20.0%	10.4%
19	60.3%	47.4%	44.2%	64.3%	44.5%	16.7%	20.8%	10.5%
20	73.8%	57.5%	43.4%	61.4%	37.1%	19.8%	21.3%	11.6%
21	81.8%	42.1%	47.8%	55.3%	35.1%	16.3%	26.9%	14.7%
22	66.0%	38.0%	49.0%	56.0%	23.9%	14.4%	19.4%	13.0%
23	55.1%	32.7%	43.8%	58.8%	37.7%	15.4%	15.4%	8.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	72.4%	46.3%	46.7%	69.5%	31.9%	15.9%	28.6%	21.1%
2	82.2%	53.4%	42.9%	74.3%	38.0%	16.6%	25.9%	13.9%
3	74.2%	36.7%	52.7%	65.3%	33.9%	15.2%	23.7%	19.4%
4	72.7%	34.7%	38.5%	62.2%	31.2%	14.1%	28.6%	2.6%
5	69.1%	46.3%	45.6%	83.0%	37.3%	17.9%	32.2%	17.0%
6	75.3%	55.0%	55.5%	68.3%	35.6%	15.2%	26.3%	24.2%
7	63.9%	42.0%	41.2%	61.8%	38.6%	13.0%	22.5%	17.2%
8	66.9%	31.7%	36.1%	63.6%	29.0%	13.9%	20.7%	2.6%
9	71.7%	53.8%	48.5%	60.9%	45.3%	14.7%	31.3%	27.6%
10	61.4%	35.8%	39.2%	65.7%	29.7%	13.6%	25.5%	14.7%
11	68.5%	32.2%	44.3%	59.4%	34.4%	12.8%	22.2%	11.9%
12	66.2%	59.8%	43.8%	67.8%	29.8%	17.0%	21.5%	7.1%
15	62.4%	40.5%	43.9%	64.0%	41.8%	15.1%	29.2%	14.9%
16	55.6%	30.5%	28.9%	47.5%	26.9%	10.7%	22.6%	22.7%
17	75.9%	59.0%	55.0%	64.2%	53.8%	20.1%	33.6%	25.3%
18	73.1%	37.8%	50.1%	60.9%	36.3%	15.0%	23.4%	13.9%
19	80.2%	47.0%	65.4%	70.5%	54.5%	22.3%	36.2%	18.4%
20	72.8%	54.6%	40.0%	70.0%	41.9%	17.7%	29.6%	19.4%
21	82.6%	55.5%	61.5%	73.6%	42.0%	20.3%	34.9%	27.7%
22	68.2%	27.0%	32.1%	60.7%	20.2%	14.3%	19.0%	5.8%
13	76.0%	60.7%	64.7%	75.3%	52.5%	22.5%	29.8%	18.6%
14	59.8%	57.3%	57.1%	75.5%	49.0%	17.8%	27.7%	11.3%

Service Type: IP Psych
Enrollee Type: Pre
Age Group Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	78.2%	33.4%	28.5%	62.5%	42.9%	22.6%	19.6%	22.2%
2	60.6%	35.4%	20.8%	55.5%	30.1%	16.1%	16.9%	29.4%
3	63.9%	38.2%	31.8%	49.5%	28.4%	16.0%	20.3%	39.4%
4	85.7%	68.3%	62.3%	78.0%	47.0%	28.6%	27.7%	37.3%
5	80.8%	63.8%	67.9%	70.7%	66.0%	27.5%	34.9%	44.0%
6	66.8%	45.1%	53.2%	58.9%	47.5%	27.8%	26.5%	30.1%
7	56.9%	50.2%	46.2%	72.6%	39.0%	19.4%	19.4%	35.0%
8	77.1%	40.3%	58.3%	68.7%	44.7%	26.4%	39.2%	47.9%
9	56.5%	46.0%	45.6%	53.8%	25.2%	17.6%	15.4%	33.1%
10	57.6%	62.4%	47.3%	76.2%	57.8%	20.1%	23.2%	21.6%
11	72.7%	52.8%	31.1%	69.5%	32.8%	19.8%	23.4%	39.0%
12	58.7%	46.8%	40.0%	50.5%	32.9%	22.2%	21.2%	48.4%
15	59.6%	44.1%	32.5%	53.6%	41.7%	22.0%	23.0%	25.4%
16	41.5%	25.7%	38.9%	61.6%	30.6%	19.3%	20.0%	8.6%
17	80.7%	43.9%	68.0%	85.4%	49.7%	33.2%	27.1%	13.5%
18	74.7%	53.2%	31.2%	70.3%	46.9%	26.5%	21.2%	18.8%
19	89.1%	73.3%	70.6%	87.0%	72.4%	36.3%	35.5%	27.8%
20	83.3%	72.5%	47.0%	70.2%	54.9%	28.8%	24.7%	24.0%
21	82.8%	36.8%	44.8%	61.2%	43.2%	17.6%	28.9%	25.4%
22	80.0%	65.6%	73.4%	89.7%	46.6%	39.1%	35.0%	35.2%
23	53.1%	32.0%	43.6%	70.5%	36.0%	18.3%	16.2%	21.0%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	78.2%	59.5%	56.9%	78.7%	50.5%	19.6%	34.1%	42.1%
2	89.6%	70.9%	67.5%	96.0%	84.9%	17.6%	26.8%	33.6%
3	75.7%	36.9%	57.3%	64.7%	35.5%	10.8%	21.9%	27.7%
4	73.1%	33.5%	35.9%	56.1%	32.5%	8.2%	24.8%	5.1%
5	89.7%	70.5%	69.6%	98.6%	83.7%	17.9%	38.5%	38.9%
6	82.8%	61.2%	64.1%	77.4%	47.4%	20.7%	22.0%	29.1%
7	85.3%	46.4%	54.0%	80.6%	70.9%	12.2%	29.8%	29.6%
8	76.5%	61.0%	48.9%	76.0%	44.3%	17.1%	32.2%	7.8%
9	82.1%	66.9%	57.1%	78.8%	63.0%	30.8%	22.7%	39.3%
10	72.3%	63.2%	52.5%	77.4%	64.1%	30.2%	37.7%	34.1%
11	85.1%	65.0%	71.3%	82.0%	83.0%	30.0%	38.5%	38.5%
12	84.5%	70.1%	61.5%	87.1%	62.3%	17.3%	22.8%	14.2%
15	80.2%	57.6%	58.3%	87.3%	72.7%	20.2%	36.6%	26.3%
16	80.8%	50.7%	47.2%	85.6%	47.3%	23.3%	29.0%	41.1%
17	80.6%	60.0%	57.0%	76.2%	67.7%	31.0%	39.4%	37.4%
18	84.4%	64.1%	70.9%	89.5%	71.1%	25.3%	31.5%	33.6%
19	89.7%	62.4%	78.5%	90.0%	80.6%	25.6%	37.0%	36.3%
20	72.5%	52.3%	38.6%	85.9%	58.4%	19.2%	29.5%	27.3%
21	88.3%	70.8%	74.0%	92.2%	82.1%	23.7%	42.7%	42.9%
22	86.6%	50.3%	66.6%	97.1%	50.4%	24.7%	40.0%	15.0%
13	93.8%	78.2%	80.3%	99.6%	90.6%	28.7%	37.8%	32.0%
14	78.4%	73.7%	68.6%	86.6%	77.3%	26.3%	35.9%	33.6%

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Exhibit III-3-1f
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP Psych
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	29.0%	16.4%	20.0%	37.4%	16.4%	3.4%	9.9%	5.6%
2	27.0%	24.2%	10.6%	41.0%	23.6%	3.7%	11.7%	3.8%
3	17.3%	24.2%	7.7%	32.4%	11.0%	2.7%	7.4%	5.6%
4	23.4%	15.6%	8.9%	33.6%	9.6%	2.5%	6.5%	3.8%
5	38.7%	32.5%	23.9%	74.2%	22.4%	5.5%	16.7%	10.6%
6	38.6%	30.4%	23.8%	48.8%	26.8%	4.8%	18.5%	4.4%
7	20.6%	22.5%	18.9%	34.5%	12.8%	3.4%	8.8%	6.5%
8	20.7%	18.7%	12.7%	50.2%	14.9%	3.5%	9.2%	9.9%
9	28.0%	23.2%	23.7%	41.5%	21.0%	4.1%	15.4%	10.0%
10	20.5%	21.8%	17.2%	35.4%	15.5%	3.1%	9.8%	4.9%
11	16.7%	17.2%	11.7%	60.3%	12.0%	3.4%	9.9%	7.0%
12	20.3%	19.5%	12.3%	45.7%	16.7%	3.1%	8.6%	0.1%
15	20.7%	18.9%	14.8%	23.6%	17.4%	2.8%	8.8%	8.6%
16	19.1%	0.5%	8.8%	34.2%	8.7%	2.3%	9.7%	4.2%
17	31.5%	30.8%	13.0%	39.5%	24.0%	4.9%	17.0%	29.5%
18	35.7%	26.5%	29.3%	63.3%	32.2%	5.1%	15.8%	5.5%
19	35.4%	34.7%	21.7%	59.6%	29.8%	5.6%	18.0%	20.7%
20	24.4%	23.5%	16.0%	57.9%	16.6%	3.8%	12.5%	10.0%
21	41.5%	35.6%	29.9%	56.1%	24.7%	5.1%	15.4%	0.0%
22	25.0%	32.3%	19.5%	54.7%	7.9%	6.7%	10.9%	2.3%
23	17.9%	20.0%	17.5%	43.3%	13.7%	2.9%	8.5%	6.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	59.0%	55.5%	45.0%	63.2%	42.2%	27.3%	11.1%	11.7%
2	50.8%	47.8%	39.9%	58.1%	36.2%	23.6%	7.5%	5.8%
3	64.9%	62.8%	43.9%	72.2%	46.5%	23.9%	9.6%	7.7%
4	40.6%	41.0%	31.9%	53.1%	19.4%	20.4%	8.1%	2.8%
5	49.9%	48.8%	38.1%	57.2%	40.1%	26.5%	8.3%	9.8%
6	53.1%	50.8%	42.9%	69.4%	21.4%	28.3%	8.8%	6.7%
7	45.7%	41.4%	35.9%	47.9%	44.2%	26.1%	11.0%	14.6%
8	53.1%	49.3%	38.5%	60.6%	35.5%	26.0%	10.2%	10.5%
9	59.8%	55.0%	43.4%	65.5%	40.2%	27.5%	9.5%	4.5%
10	50.9%	45.3%	37.6%	57.7%	37.2%	24.4%	8.3%	17.9%
11	55.2%	48.1%	39.7%	61.3%	21.8%	27.6%	10.0%	6.3%
12	59.2%	58.5%	47.6%	72.0%	33.3%	24.0%	12.8%	6.4%
15	50.6%	46.6%	40.6%	59.8%	28.1%	25.8%	10.1%	4.8%
16	50.7%	45.5%	41.9%	52.4%	38.1%	22.3%	7.1%	3.2%
17	70.4%	64.3%	50.9%	79.1%	50.7%	30.4%	15.6%	10.3%
18	58.6%	54.9%	40.9%	67.6%	45.7%	28.7%	10.1%	10.6%
19	51.2%	51.0%	41.2%	61.2%	16.5%	25.0%	9.7%	2.5%
20	55.1%	49.3%	41.5%	64.7%	37.1%	23.9%	8.5%	2.4%
21	63.4%	59.2%	43.1%	72.1%	35.8%	26.7%	11.5%	11.3%
22	44.6%	44.1%	32.5%	58.3%	36.4%	23.8%	7.8%	10.6%
13	49.6%	44.6%	41.3%	57.7%	15.6%	22.7%	8.4%	2.2%
14	53.4%	52.3%	40.7%	61.1%	15.6%	24.9%	8.6%	8.1%

Service Type: IP Psych
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	61.2%	35.8%	43.9%	51.1%	43.1%	6.7%	39.3%	15.7%
2	51.2%	37.9%	31.0%	63.6%	58.9%	12.1%	37.6%	17.8%
3	31.7%	34.4%	20.7%	49.6%	20.7%	2.9%	21.1%	20.9%
4	38.5%	26.8%	27.8%	46.8%	28.9%	6.0%	23.3%	18.5%
5	59.4%	45.2%	40.6%	88.6%	60.9%	8.6%	36.1%	34.7%
6	64.0%	38.9%	38.0%	78.5%	60.8%	6.9%	45.8%	20.5%
7	30.7%	27.6%	31.2%	61.8%	27.8%	7.0%	19.1%	24.2%
8	37.3%	30.3%	34.9%	60.1%	34.8%	10.1%	28.6%	30.9%
9	70.7%	39.8%	66.5%	88.4%	78.0%	9.7%	52.9%	47.6%
10	37.7%	29.7%	33.4%	70.6%	42.3%	9.9%	26.1%	23.7%
11	27.1%	25.2%	21.3%	75.5%	20.6%	7.9%	23.0%	25.1%
12	57.8%	45.4%	40.0%	58.6%	58.3%	11.5%	42.0%	0.3%
15	35.5%	27.5%	41.7%	29.6%	34.7%	6.2%	34.3%	20.3%
16	39.5%	0.9%	19.4%	53.4%	19.0%	5.9%	28.0%	17.1%
17	66.3%	47.6%	30.1%	50.0%	41.8%	8.0%	41.9%	57.1%
18	64.6%	40.1%	51.1%	87.3%	57.4%	5.1%	40.0%	34.3%
19	47.8%	42.3%	44.4%	82.5%	44.4%	6.6%	37.5%	41.4%
20	32.1%	24.8%	17.3%	69.3%	14.1%	2.4%	32.6%	13.9%
21	68.3%	38.5%	46.8%	63.5%	46.3%	8.0%	34.5%	0.2%
22	28.8%	15.6%	25.2%	55.5%	8.3%	6.8%	25.1%	3.8%
23	60.2%	53.4%	51.3%	88.2%	75.3%	16.5%	42.8%	41.2%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	54.7%	64.3%	39.3%	69.5%	56.2%	15.2%	20.4%	26.8%
2	40.6%	41.1%	31.7%	19.3%	27.3%	5.2%	11.5%	15.3%
3	60.9%	62.8%	37.2%	61.9%	52.9%	11.7%	21.6%	23.6%
4	30.8%	45.3%	22.4%	37.6%	39.6%	7.8%	17.0%	12.8%
5	34.0%	49.3%	19.7%	35.9%	35.5%	6.2%	11.2%	10.8%
6	40.1%	54.9%	30.3%	62.8%	62.6%	11.1%	14.0%	32.6%
7	34.7%	34.1%	18.1%	34.1%	9.0%	5.8%	10.0%	26.9%
8	35.1%	44.7%	23.7%	34.2%	7.2%	4.9%	16.9%	12.0%
9	44.4%	41.3%	28.8%	41.6%	17.4%	6.9%	11.8%	15.5%
10	38.1%	47.3%	26.6%	41.6%	48.4%	11.1%	13.2%	25.0%
11	49.3%	47.1%	28.9%	33.7%	33.5%	13.9%	11.4%	18.1%
12	45.5%	55.0%	39.7%	53.5%	40.4%	11.2%	20.8%	23.8%
15	33.8%	45.2%	29.9%	42.0%	53.7%	6.8%	12.4%	28.8%
16	37.3%	45.7%	33.6%	41.1%	53.7%	7.2%	15.5%	13.9%
17	69.4%	69.6%	44.2%	77.0%	54.5%	9.0%	19.1%	26.3%
18	58.5%	67.8%	27.2%	69.7%	71.5%	14.5%	16.3%	22.7%
19	45.9%	55.9%	30.8%	52.3%	38.6%	9.7%	13.1%	20.0%
20	34.5%	42.8%	25.9%	48.7%	54.6%	6.9%	10.7%	18.4%
21	52.2%	59.9%	36.6%	58.0%	45.5%	8.1%	11.2%	27.8%
22	25.5%	49.5%	26.4%	49.4%	33.1%	9.9%	14.1%	13.8%
13	30.0%	42.0%	18.6%	40.0%	15.6%	4.8%	15.4%	16.1%
14	46.6%	47.0%	30.6%	50.5%	24.4%	8.4%	14.3%	16.1%

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Exhibit III-3-1g
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP SA
Enrollee Type: Pre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	49.2%	41.6%	39.5%	74.8%	38.5%	28.9%	20.8%	20.5%
2	67.0%	54.9%	47.5%	63.2%	59.9%	35.3%	24.8%	25.7%
3	45.8%	34.4%	37.0%	40.8%	33.8%	22.7%	14.7%	18.3%
4	61.5%	42.3%	44.9%	71.5%	50.9%	33.5%	21.7%	15.7%
5	75.1%	64.6%	60.7%	76.7%	73.5%	42.0%	27.2%	31.7%
6	65.9%	57.2%	50.2%	58.2%	47.7%	34.0%	21.3%	31.2%
7	44.8%	51.8%	37.8%	50.0%	37.9%	27.7%	16.8%	29.9%
8	57.8%	39.8%	45.4%	53.1%	30.3%	26.0%	16.8%	21.5%
9	68.4%	59.7%	60.2%	72.1%	59.4%	39.2%	25.4%	30.8%
10	55.2%	53.7%	46.1%	66.3%	57.6%	33.6%	22.5%	31.7%
11	58.7%	58.7%	57.3%	69.8%	44.2%	35.7%	23.1%	34.0%
12	51.4%	46.6%	47.1%	69.5%	33.6%	28.3%	17.7%	19.2%
15	74.6%	61.3%	64.2%	82.7%	63.8%	41.8%	26.2%	28.3%
16	42.3%	49.7%	37.9%	67.4%	43.5%	34.7%	18.8%	31.5%
17	61.7%	51.4%	58.4%	76.2%	51.1%	35.5%	22.2%	22.1%
18	61.5%	61.8%	51.6%	76.0%	50.7%	35.8%	23.2%	22.9%
19	61.2%	55.7%	41.4%	70.3%	44.6%	32.4%	21.0%	16.9%
20	55.7%	45.0%	45.2%	64.2%	54.3%	32.0%	20.7%	22.5%
21	71.9%	55.2%	50.3%	75.0%	62.1%	36.5%	23.7%	22.8%
22	39.4%	48.5%	43.0%	51.3%	31.1%	24.1%	15.6%	18.8%
23	75.1%	57.7%	64.9%	68.0%	44.0%	37.4%	27.7%	34.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	51.2%	35.0%	56.5%	73.8%	27.3%	21.1%	31.4%	20.4%
2	69.7%	65.1%	68.7%	89.5%	55.4%	36.8%	49.9%	32.8%
3	53.8%	45.5%	38.0%	70.5%	42.6%	23.0%	30.9%	18.9%
4	53.5%	54.5%	47.4%	71.1%	55.6%	28.3%	40.8%	23.5%
5	65.6%	58.6%	58.6%	77.7%	62.9%	32.0%	47.9%	31.9%
6	63.0%	61.6%	61.8%	66.4%	52.3%	27.9%	45.4%	25.5%
7	27.4%	39.8%	50.4%	50.3%	36.9%	19.6%	28.2%	16.1%
8	69.7%	63.5%	59.0%	78.7%	55.2%	32.6%	46.9%	23.9%
9	79.6%	63.6%	61.8%	83.6%	55.9%	35.4%	51.1%	29.2%
10	64.1%	59.1%	59.9%	80.5%	59.4%	31.7%	45.7%	24.3%
11	51.2%	55.9%	67.7%	77.5%	38.9%	29.4%	38.8%	17.7%
12	53.0%	50.5%	43.5%	74.1%	45.8%	26.1%	36.3%	16.2%
15	67.4%	69.0%	62.3%	75.0%	56.3%	30.8%	49.2%	32.6%
16	55.6%	46.1%	44.4%	53.6%	47.8%	23.5%	35.1%	20.2%
17	59.9%	54.2%	40.3%	75.8%	41.9%	25.4%	37.8%	21.3%
18	67.4%	67.2%	65.6%	89.0%	58.0%	34.0%	49.0%	24.2%
19	51.2%	42.1%	39.0%	63.9%	30.6%	20.8%	31.0%	15.3%
20	66.5%	65.2%	54.9%	65.7%	66.4%	31.8%	47.7%	22.9%
21	56.8%	47.7%	50.1%	60.1%	38.0%	26.8%	34.9%	16.6%
22	33.2%	35.4%	35.9%	54.5%	29.1%	17.5%	24.4%	11.5%
13	72.2%	61.2%	66.0%	72.0%	61.7%	30.5%	45.5%	32.1%
14	57.0%	57.8%	56.4%	76.1%	46.4%	31.3%	40.3%	31.0%

Service Type: IP SA
Enrollee Type: Pre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	71.4%	47.5%	42.5%	82.6%	66.3%	46.6%	21.4%	41.0%
2	59.8%	45.8%	43.5%	59.6%	60.5%	38.9%	18.9%	41.8%
3	49.4%	40.8%	42.6%	46.4%	42.3%	29.6%	21.4%	43.5%
4	85.9%	69.7%	69.4%	91.0%	83.5%	58.8%	34.6%	56.7%
5	86.1%	78.0%	76.2%	82.6%	91.3%	60.2%	39.6%	60.6%
6	61.1%	60.3%	59.1%	57.9%	59.4%	56.7%	25.8%	53.6%
7	49.0%	58.1%	47.8%	73.5%	49.9%	39.5%	22.3%	47.9%
8	71.8%	50.0%	65.1%	61.5%	55.4%	47.2%	38.4%	60.8%
9	57.6%	57.0%	61.0%	74.0%	54.7%	47.5%	21.5%	51.4%
10	57.2%	63.4%	58.7%	85.6%	74.1%	42.7%	29.4%	50.1%
11	76.7%	71.2%	68.4%	91.5%	60.4%	56.0%	31.6%	64.9%
12	51.8%	51.1%	49.4%	67.4%	36.6%	37.4%	24.6%	50.4%
15	69.7%	62.6%	67.5%	87.1%	70.9%	59.2%	34.6%	51.3%
16	32.5%	55.6%	49.2%	87.3%	64.2%	53.2%	23.1%	47.1%
17	73.3%	52.7%	72.0%	90.6%	64.6%	51.4%	25.7%	42.6%
18	75.2%	65.1%	51.8%	78.0%	72.8%	49.2%	24.7%	41.3%
19	89.3%	78.4%	69.1%	95.1%	72.6%	64.0%	35.7%	44.7%
20	65.6%	56.7%	48.9%	73.4%	80.2%	46.5%	24.1%	46.7%
21	73.4%	50.2%	47.4%	81.0%	67.7%	38.9%	25.7%	39.4%
22	51.4%	75.7%	70.2%	82.3%	60.7%	60.3%	32.1%	51.1%
23	73.2%	56.7%	64.8%	81.7%	42.0%	43.6%	28.8%	57.3%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	61.5%	50.9%	64.8%	81.7%	43.2%	26.1%	36.7%	41.6%
2	82.3%	78.2%	82.2%	98.3%	89.2%	38.8%	50.7%	48.2%
3	56.5%	45.7%	44.0%	70.0%	44.1%	16.3%	29.3%	27.2%
4	54.3%	53.7%	45.3%	66.4%	56.4%	18.9%	37.7%	28.3%
5	88.6%	77.2%	76.9%	98.2%	95.9%	32.0%	52.7%	49.9%
6	74.2%	66.8%	69.2%	76.1%	63.3%	37.2%	42.1%	30.4%
7	52.9%	44.4%	61.2%	74.8%	70.2%	18.5%	35.0%	28.7%
8	78.5%	79.2%	67.2%	86.0%	69.6%	37.7%	54.6%	38.0%
9	87.1%	74.0%	68.1%	91.1%	70.2%	49.8%	44.1%	40.7%
10	74.3%	76.6%	68.7%	87.1%	79.3%	44.8%	54.6%	41.6%
11	76.9%	77.2%	83.4%	90.0%	84.2%	49.6%	51.6%	42.5%
12	78.4%	63.2%	61.3%	89.6%	78.1%	26.4%	37.8%	29.3%
15	82.8%	77.9%	71.9%	91.1%	79.5%	38.8%	54.5%	41.7%
16	80.9%	61.8%	61.0%	87.3%	72.1%	44.0%	40.8%	39.2%
17	67.7%	55.2%	42.9%	83.9%	57.7%	36.4%	43.2%	34.0%
18	81.1%	81.1%	80.0%	97.1%	88.5%	48.5%	54.4%	41.5%
19	73.8%	58.9%	58.9%	87.7%	51.4%	23.9%	31.9%	30.5%
20	66.1%	63.5%	53.5%	83.9%	80.9%	34.5%	47.6%	30.9%
21	71.0%	65.6%	66.3%	88.3%	74.5%	31.3%	42.6%	34.0%
22	51.1%	66.0%	69.4%	96.7%	72.6%	30.3%	44.0%	30.0%
13	92.8%	78.5%	81.0%	99.5%	92.5%	38.9%	51.7%	46.4%
14	76.9%	74.1%	68.1%	86.9%	76.1%	42.6%	47.0%	48.4%

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Exhibit III-3-1h
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: IP SA
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	36.0%	25.5%	27.4%	48.9%	35.8%	17.4%	11.3%	15.9%
2	37.9%	29.1%	28.7%	40.8%	46.0%	20.7%	13.0%	16.8%
3	22.1%	20.0%	15.6%	30.6%	9.1%	16.6%	8.9%	7.6%
4	34.9%	30.5%	31.6%	41.9%	29.3%	20.2%	13.1%	12.3%
5	45.3%	39.6%	43.8%	52.6%	53.2%	25.3%	16.4%	21.8%
6	38.8%	26.7%	27.7%	46.4%	38.4%	19.8%	13.3%	23.6%
7	34.6%	28.6%	22.3%	28.8%	26.2%	16.2%	10.5%	12.8%
8	25.3%	23.7%	24.3%	42.1%	17.8%	15.2%	13.2%	17.4%
9	42.3%	35.7%	33.7%	60.1%	25.9%	23.6%	17.6%	21.7%
10	39.6%	31.7%	30.1%	43.2%	39.7%	20.9%	13.6%	14.8%
11	36.7%	33.7%	33.1%	47.5%	28.8%	21.5%	14.0%	15.7%
12	30.6%	26.7%	29.5%	37.5%	15.1%	17.1%	10.7%	11.1%
15	45.1%	38.8%	40.4%	49.1%	40.5%	23.5%	16.3%	11.2%
16	27.0%	26.4%	26.6%	40.7%	27.0%	18.1%	11.4%	19.0%
17	39.1%	33.4%	30.9%	45.4%	37.9%	24.0%	13.9%	17.8%
18	38.6%	32.6%	34.3%	44.7%	38.7%	20.1%	13.5%	16.8%
19	35.0%	30.6%	29.5%	39.5%	25.8%	18.9%	12.7%	10.5%
20	33.4%	30.2%	27.7%	46.0%	45.7%	18.6%	12.5%	15.9%
21	36.2%	32.1%	37.2%	41.4%	29.8%	22.0%	14.3%	13.2%
22	33.4%	23.6%	25.3%	32.9%	22.9%	15.1%	9.8%	14.2%
23	39.1%	33.9%	32.4%	46.1%	35.4%	22.6%	14.6%	8.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	50.8%	52.7%	39.4%	62.5%	47.0%	32.5%	23.0%	13.1%
2	70.3%	73.2%	52.6%	88.3%	64.7%	41.9%	30.9%	14.4%
3	51.8%	53.7%	40.1%	63.8%	49.8%	33.0%	19.8%	12.3%
4	63.0%	65.5%	47.7%	78.6%	49.0%	38.4%	35.3%	9.9%
5	68.2%	71.0%	51.2%	85.5%	66.7%	40.9%	32.3%	17.4%
6	63.1%	65.6%	47.7%	78.8%	44.3%	38.5%	25.7%	9.2%
7	48.3%	50.1%	37.7%	59.2%	58.5%	31.3%	24.5%	16.5%
8	68.5%	71.3%	51.4%	85.9%	63.5%	41.1%	38.0%	19.5%
9	70.5%	73.4%	52.8%	88.6%	66.0%	42.1%	31.3%	7.7%
10	68.3%	71.0%	51.3%	85.6%	64.2%	41.0%	32.0%	29.7%
11	55.7%	57.9%	42.7%	69.0%	37.2%	34.9%	27.1%	7.8%
12	58.6%	60.9%	44.7%	72.8%	47.6%	36.3%	31.1%	11.9%
15	67.4%	70.2%	50.7%	84.5%	59.9%	40.6%	38.0%	9.0%
16	56.7%	58.9%	43.4%	70.3%	51.1%	35.3%	22.7%	7.0%
17	57.1%	59.3%	43.7%	70.9%	53.1%	35.5%	30.9%	10.8%
18	71.5%	74.4%	53.4%	89.9%	65.2%	42.5%	34.8%	16.8%
19	48.5%	50.2%	37.8%	59.4%	29.5%	31.3%	22.9%	3.3%
20	68.3%	71.1%	51.3%	85.7%	61.9%	41.0%	28.8%	5.4%
21	53.3%	55.3%	41.1%	65.8%	44.2%	33.7%	24.7%	14.2%
22	42.6%	44.1%	33.8%	51.6%	41.6%	28.5%	17.4%	12.7%
13	68.3%	71.1%	51.3%	85.7%	40.3%	41.0%	33.3%	5.9%
14	58.5%	60.7%	44.6%	72.6%	33.6%	36.2%	24.9%	13.7%

Service Type: IP SA
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	65.0%	42.7%	49.1%	66.8%	71.7%	24.4%	40.3%	37.2%
2	58.5%	42.0%	44.9%	63.4%	70.9%	29.2%	38.5%	33.1%
3	35.7%	30.8%	27.4%	46.8%	17.1%	17.1%	22.4%	22.5%
4	47.7%	39.7%	45.8%	57.2%	50.2%	27.9%	28.7%	25.7%
5	63.8%	51.0%	56.2%	79.0%	76.5%	29.0%	36.0%	42.8%
6	64.1%	35.7%	41.4%	75.3%	69.9%	24.7%	42.4%	48.9%
7	42.9%	33.3%	34.0%	51.6%	48.6%	20.8%	20.6%	29.3%
8	40.9%	34.6%	43.5%	50.6%	37.0%	21.3%	31.8%	36.7%
9	76.5%	51.2%	70.9%	92.1%	79.4%	31.4%	54.1%	54.4%
10	52.6%	38.6%	43.8%	74.1%	58.8%	26.5%	29.2%	31.6%
11	46.8%	40.2%	40.4%	67.6%	38.8%	26.2%	26.4%	32.0%
12	65.8%	50.3%	55.8%	48.1%	52.6%	34.0%	43.3%	45.6%
15	59.3%	49.0%	60.2%	61.5%	68.1%	34.2%	39.8%	26.2%
16	49.7%	34.6%	41.8%	59.2%	49.1%	25.4%	29.3%	34.0%
17	70.0%	49.6%	48.9%	57.4%	66.1%	30.4%	39.7%	50.0%
18	66.2%	45.1%	54.5%	69.4%	64.2%	20.3%	38.4%	44.2%
19	47.3%	37.9%	51.1%	54.6%	38.4%	21.9%	33.5%	22.9%
20	43.8%	31.9%	29.9%	55.0%	38.7%	12.3%	32.7%	22.0%
21	65.4%	35.2%	52.4%	46.8%	55.8%	26.4%	33.6%	33.1%
22	37.6%	11.3%	30.6%	33.4%	24.3%	15.2%	24.1%	21.6%
23	79.4%	61.5%	60.1%	90.0%	81.5%	40.9%	46.7%	50.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	45.7%	62.1%	33.1%	68.9%	58.8%	21.3%	32.8%	28.3%
2	64.1%	69.7%	46.1%	77.4%	59.7%	25.3%	41.7%	29.2%
3	46.4%	53.8%	32.9%	50.5%	55.9%	22.2%	34.2%	28.9%
4	56.9%	68.0%	40.4%	71.6%	61.8%	28.5%	41.5%	27.0%
5	58.1%	71.2%	36.7%	78.3%	64.3%	18.8%	39.7%	21.4%
6	52.9%	68.5%	36.2%	74.2%	75.0%	23.6%	36.7%	37.4%
7	37.9%	43.9%	20.3%	48.4%	26.5%	8.9%	19.7%	28.6%
8	56.4%	68.6%	39.7%	76.5%	37.9%	23.8%	43.6%	23.1%
9	59.2%	65.4%	40.7%	80.7%	44.1%	20.5%	34.1%	25.7%
10	60.1%	72.1%	42.6%	80.1%	70.6%	30.5%	41.2%	35.8%
11	49.8%	57.0%	32.5%	46.9%	47.7%	22.6%	29.5%	21.4%
12	44.8%	57.6%	36.3%	54.8%	53.2%	25.6%	38.0%	31.4%
15	56.3%	69.4%	41.8%	77.7%	74.2%	22.5%	40.0%	37.7%
16	44.9%	59.0%	35.3%	63.2%	63.4%	20.3%	35.2%	23.5%
17	55.8%	65.4%	36.1%	68.0%	56.7%	11.4%	33.8%	27.1%
18	71.5%	81.7%	42.7%	90.6%	81.8%	31.1%	44.3%	31.2%
19	42.8%	55.2%	26.8%	50.1%	55.1%	13.9%	26.7%	23.0%
20	53.7%	67.3%	38.2%	79.2%	72.4%	17.8%	33.6%	27.6%
21	38.9%	56.0%	34.4%	48.5%	52.6%	14.2%	23.2%	30.6%
22	22.7%	49.5%	27.9%	42.0%	38.1%	13.8%	24.6%	15.5%
13	56.0%	69.7%	32.5%	79.7%	45.2%	19.0%	42.9%	29.8%
14	52.4%	56.3%	35.2%	65.2%	43.9%	22.1%	34.4%	23.6%

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Exhibit III-3-1i
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: OV/Urgent Care
Enrollee Type: Pre
Age Group Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	70.9%	64.2%	61.1%	76.8%	67.7%	56.5%	51.7%	40.3%
2	69.8%	64.9%	61.3%	75.2%	66.2%	57.4%	48.3%	42.3%
3	61.8%	54.1%	49.6%	75.7%	63.8%	51.7%	38.4%	33.8%
4	64.8%	57.1%	55.0%	72.8%	59.7%	53.7%	38.4%	34.3%
5	67.5%	62.4%	59.2%	82.7%	72.4%	58.0%	39.0%	38.3%
6	68.1%	59.2%	58.9%	74.4%	65.6%	37.4%	35.4%	31.1%
7	60.8%	54.1%	53.4%	70.5%	65.2%	44.2%	33.4%	36.3%
8	67.2%	59.3%	57.1%	75.0%	66.9%	50.1%	34.0%	34.3%
9	69.0%	59.9%	59.0%	78.7%	67.3%	50.0%	42.7%	40.1%
10	65.7%	60.6%	59.1%	73.1%	58.2%	45.0%	37.9%	29.0%
11	61.3%	57.3%	56.2%	72.9%	63.9%	52.3%	38.7%	36.3%
12	68.4%	59.2%	56.3%	76.5%	67.3%	55.0%	46.8%	39.6%
15	69.7%	65.1%	64.0%	77.8%	72.3%	55.7%	42.2%	44.1%
16	64.4%	58.9%	58.4%	73.8%	69.9%	49.4%	37.9%	41.4%
17	72.5%	66.1%	64.6%	77.0%	72.7%	56.7%	43.7%	42.7%
18	75.6%	67.4%	66.6%	79.4%	74.5%	61.6%	45.5%	45.5%
19	72.2%	66.4%	66.9%	71.8%	72.9%	56.4%	45.5%	44.0%
20	77.5%	70.6%	67.7%	80.3%	76.5%	53.1%	49.2%	43.2%
21	76.9%	69.0%	67.7%	74.9%	74.2%	52.0%	49.4%	41.0%
22	79.3%	74.5%	74.1%	79.6%	80.0%	66.4%	52.9%	51.0%
23	70.9%	65.3%	64.8%	75.6%	73.1%	59.8%	50.3%	39.3%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	73.9%	63.0%	60.5%	79.3%	68.4%	59.0%	54.9%	38.5%
2	73.3%	63.9%	60.5%	81.8%	68.0%	63.4%	54.5%	40.8%
3	66.0%	52.8%	47.8%	79.4%	61.4%	46.7%	42.0%	32.8%
4	67.9%	56.0%	52.2%	76.4%	57.6%	51.2%	42.4%	32.0%
5	72.7%	66.7%	65.4%	87.5%	74.8%	64.5%	51.8%	40.6%
6	72.9%	62.2%	62.0%	74.9%	66.9%	42.1%	45.9%	34.8%
7	67.8%	58.0%	58.4%	76.0%	69.4%	49.8%	46.9%	42.9%
8	70.5%	59.5%	56.5%	77.1%	66.5%	51.3%	38.1%	33.7%
9	72.6%	62.4%	58.8%	79.9%	69.3%	53.3%	53.7%	43.8%
10	67.3%	59.5%	57.3%	77.2%	57.0%	42.1%	46.1%	30.2%
11	66.3%	60.0%	58.8%	78.0%	67.7%	52.7%	48.9%	40.2%
12	72.5%	62.2%	57.1%	81.5%	69.2%	55.5%	55.8%	41.3%
15	74.6%	68.2%	67.7%	82.1%	76.5%	62.1%	55.9%	50.8%
16	69.5%	61.8%	60.8%	77.1%	71.9%	50.0%	48.9%	43.1%
17	74.4%	65.8%	64.1%	78.5%	74.5%	55.4%	50.6%	45.1%
18	77.3%	67.5%	66.2%	81.9%	76.2%	61.9%	52.4%	49.7%
19	74.3%	67.4%	67.6%	75.4%	75.2%	57.2%	55.6%	49.7%
20	77.4%	68.7%	65.7%	80.5%	76.0%	59.2%	51.5%	41.5%
21	77.7%	67.1%	66.1%	77.1%	75.0%	58.0%	48.7%	41.4%
22	74.8%	64.6%	64.4%	78.5%	74.2%	54.5%	52.4%	43.8%
13	74.6%	67.4%	67.0%	79.7%	78.5%	61.0%	58.5%	45.1%
14	74.4%	68.4%	67.4%	81.2%	75.4%	51.4%	59.4%	35.2%

Service Type: OV/Urgent Care
Enrollee Type: Pre
Age Group Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	74.9%	57.4%	56.2%	82.4%	68.6%	54.0%	51.6%	31.2%
2	77.2%	64.3%	57.2%	75.3%	69.2%	50.7%	42.4%	54.6%
3	64.3%	57.0%	58.7%	84.0%	80.0%	47.2%	50.3%	33.5%
4	74.3%	68.8%	56.5%	74.0%	69.1%	49.1%	52.4%	49.7%
5	70.5%	48.1%	56.9%	88.0%	74.3%	52.1%	30.9%	32.9%
6	65.5%	57.0%	62.3%	73.3%	75.3%	36.2%	30.0%	24.8%
7	66.7%	43.9%	57.1%	78.4%	83.4%	45.4%	35.0%	35.6%
8	82.0%	58.0%	58.1%	76.2%	65.3%	48.6%	45.0%	57.8%
9	77.6%	63.4%	51.0%	87.4%	68.6%	43.3%	38.6%	39.9%
10	71.3%	65.0%	59.7%	77.5%	60.1%	51.6%	39.2%	26.5%
11	67.1%	58.5%	59.9%	79.0%	80.8%	65.1%	47.8%	43.4%
12	81.7%	65.8%	66.9%	83.7%	70.1%	64.9%	60.7%	49.8%
15	73.5%	67.9%	68.0%	82.7%	74.0%	50.6%	65.9%	52.3%
16	57.5%	78.4%	61.0%	77.1%	82.6%	39.3%	50.3%	46.5%
17	86.0%	68.8%	63.9%	92.1%	74.5%	54.4%	45.3%	37.2%
18	91.2%	72.4%	49.7%	81.7%	95.1%	53.3%	56.1%	42.4%
19	80.2%	61.6%	75.5%	81.0%	80.1%	56.7%	59.3%	58.7%
20	80.6%	73.6%	65.1%	93.5%	77.4%	41.6%	45.7%	47.4%
21	89.6%	76.0%	73.5%	66.7%	75.7%	42.7%	58.2%	47.1%
22	78.4%	79.9%	75.1%	90.5%	94.8%	71.7%	55.4%	59.0%
23	73.3%	77.0%	69.5%	93.6%	69.7%	58.3%	46.8%	39.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	70.6%	60.1%	58.2%	79.7%	79.9%	63.7%	55.1%	32.6%
2	69.8%	69.6%	57.5%	83.1%	71.8%	41.3%	54.3%	47.7%
3	78.2%	47.1%	52.4%	72.3%	69.6%	37.9%	43.2%	36.8%
4	59.1%	53.8%	61.7%	73.7%	61.4%	36.1%	47.1%	39.7%
5	75.2%	57.4%	54.1%	78.8%	72.5%	41.7%	48.2%	35.0%
6	72.6%	58.2%	64.2%	77.0%	62.0%	57.0%	46.0%	32.7%
7	75.7%	53.9%	58.3%	81.7%	80.7%	44.6%	57.2%	38.4%
8	75.5%	67.1%	68.0%	78.3%	68.2%	63.4%	52.3%	40.8%
9	84.5%	73.6%	62.7%	72.4%	57.7%	58.6%	47.7%	46.2%
10	76.1%	70.1%	53.9%	78.7%	77.0%	46.9%	49.1%	32.2%
11	74.4%	67.2%	52.1%	63.7%	79.2%	53.5%	48.0%	36.7%
12	78.1%	62.8%	56.4%	80.4%	81.8%	62.4%	55.0%	33.2%
15	68.6%	68.8%	64.5%	84.8%	84.6%	50.8%	50.7%	47.9%
16	72.9%	56.7%	63.1%	84.7%	74.6%	57.0%	53.9%	37.4%
17	76.2%	67.1%	51.7%	84.9%	78.8%	72.7%	52.1%	29.2%
18	74.2%	71.4%	50.9%	84.3%	71.7%	57.5%	46.2%	55.3%
19	73.7%	55.0%	55.5%	80.2%	76.2%	68.5%	48.9%	48.0%
20	65.3%	55.7%	46.6%	88.2%	71.7%	51.6%	42.7%	39.4%
21	69.1%	66.4%	68.1%	85.1%	78.8%	40.5%	49.7%	56.9%
22	83.6%	69.8%	54.1%	84.7%	83.9%	58.6%	60.3%	45.4%
13	76.4%	72.5%	50.7%	82.0%	71.6%	61.3%	49.4%	41.7%
14	72.0%	68.5%	71.1%	85.7%	76.3%	47.7%	52.5%	40.6%

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Exhibit III-3-1j
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: OV/Urgent Care
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	37.7%	32.2%	34.6%	46.5%	48.2%	26.3%	31.7%	33.5%
2	29.9%	29.2%	29.2%	42.6%	44.1%	22.6%	28.5%	27.4%
3	30.2%	25.3%	23.1%	53.0%	37.5%	20.9%	18.7%	22.7%
4	36.5%	33.7%	35.4%	46.8%	47.5%	26.6%	32.3%	35.2%
5	29.4%	27.0%	27.4%	64.8%	47.0%	20.1%	19.5%	24.8%
6	29.0%	25.4%	26.6%	37.9%	43.4%	19.7%	15.0%	18.4%
7	30.7%	27.7%	27.4%	41.2%	43.5%	24.6%	21.5%	23.6%
8	37.8%	36.5%	36.2%	52.9%	52.8%	25.6%	26.8%	28.6%
9	30.6%	32.2%	30.1%	48.4%	48.6%	26.4%	22.9%	29.7%
10	30.1%	32.3%	33.3%	51.2%	47.2%	30.9%	26.4%	27.0%
11	26.9%	24.8%	26.8%	48.1%	43.1%	30.6%	20.4%	27.3%
12	31.8%	27.8%	28.2%	50.9%	43.9%	27.1%	24.5%	26.4%
15	34.1%	31.5%	34.7%	51.5%	48.8%	28.2%	26.3%	31.0%
16	32.1%	29.4%	31.5%	48.2%	49.5%	18.8%	24.8%	29.2%
17	37.0%	29.4%	29.6%	50.4%	51.1%	25.3%	25.3%	27.1%
18	41.5%	38.9%	39.9%	57.2%	58.8%	29.2%	28.2%	31.4%
19	36.9%	34.2%	34.8%	47.1%	50.7%	21.9%	30.0%	28.5%
20	39.9%	37.2%	37.1%	54.7%	55.2%	27.1%	29.0%	29.7%
21	46.8%	45.5%	41.0%	53.9%	51.0%	26.6%	28.5%	26.5%
22	49.9%	46.7%	47.6%	61.4%	59.8%	28.1%	34.9%	30.0%
23	32.9%	31.9%	31.6%	38.9%	45.1%	24.6%	29.1%	28.2%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	64.6%	57.9%	61.6%	67.9%	66.4%	61.8%	48.6%	42.4%
2	63.6%	66.0%	67.4%	84.6%	70.2%	65.9%	48.6%	52.8%
3	50.0%	52.5%	46.8%	62.0%	53.3%	52.4%	32.9%	37.9%
4	58.6%	55.2%	51.3%	68.5%	54.1%	60.3%	46.5%	47.4%
5	66.5%	58.4%	64.1%	79.2%	67.1%	60.5%	55.4%	50.7%
6	63.5%	59.1%	62.6%	73.9%	69.0%	62.4%	31.4%	36.7%
7	62.6%	66.1%	67.2%	74.7%	72.4%	68.6%	48.8%	51.1%
8	55.1%	56.1%	52.5%	73.0%	64.6%	48.5%	34.0%	40.3%
9	48.7%	49.5%	47.3%	66.6%	56.5%	49.5%	33.0%	40.3%
10	59.6%	59.3%	59.1%	81.0%	61.6%	59.4%	30.7%	30.8%
11	50.4%	49.4%	52.5%	72.1%	62.6%	59.2%	52.4%	53.1%
12	67.2%	57.4%	60.7%	78.1%	64.8%	59.3%	47.4%	47.7%
15	67.9%	63.7%	63.1%	79.0%	70.1%	67.2%	51.3%	57.8%
16	67.7%	64.7%	65.4%	76.4%	73.6%	62.1%	37.8%	43.1%
17	71.1%	69.6%	71.2%	78.4%	80.2%	72.6%	60.7%	58.1%
18	49.2%	51.0%	48.4%	71.2%	63.1%	37.9%	39.2%	50.7%
19	37.5%	43.3%	42.0%	54.5%	52.1%	46.5%	33.4%	49.3%
20	50.1%	52.9%	57.2%	62.7%	67.0%	53.0%	45.7%	43.9%
21	47.1%	46.7%	45.6%	60.7%	56.2%	38.7%	47.8%	42.4%
22	60.4%	60.0%	55.2%	73.3%	65.6%	54.5%	36.5%	38.3%
13	51.8%	41.5%	52.0%	68.6%	65.1%	63.0%	47.4%	43.2%
14	30.2%	39.3%	40.6%	60.0%	50.6%	44.3%	39.4%	35.8%

Service Type: OV/Urgent Care
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	39.2%	27.8%	29.0%	72.1%	75.3%	33.9%	33.4%	30.0%
2	34.3%	32.8%	39.2%	59.0%	54.2%	18.5%	24.8%	18.4%
3	32.7%	23.2%	24.1%	48.6%	51.3%	24.9%	22.1%	25.9%
4	49.2%	29.8%	30.9%	48.4%	58.0%	28.7%	20.9%	45.7%
5	27.2%	16.0%	31.1%	73.8%	64.0%	18.0%	21.4%	35.9%
6	33.0%	21.1%	30.3%	53.2%	72.0%	20.2%	16.5%	17.4%
7	41.7%	39.3%	35.0%	70.5%	71.9%	39.8%	21.9%	43.3%
8	57.3%	52.3%	45.7%	58.5%	60.4%	31.9%	28.8%	35.6%
9	32.6%	34.0%	30.6%	58.4%	72.7%	18.6%	33.1%	33.0%
10	34.0%	47.5%	51.6%	63.9%	44.7%	17.7%	26.9%	30.1%
11	21.7%	24.9%	27.9%	74.6%	51.9%	35.8%	25.5%	33.1%
12	28.6%	19.5%	28.9%	74.2%	53.8%	28.3%	27.2%	21.6%
15	45.5%	32.2%	58.3%	53.9%	61.1%	33.1%	23.3%	31.3%
16	42.3%	39.4%	25.6%	58.8%	54.1%	19.7%	31.4%	39.5%
17	46.1%	38.6%	39.2%	60.8%	66.0%	20.0%	23.3%	34.8%
18	56.5%	59.3%	47.9%	76.0%	75.7%	35.9%	26.0%	39.1%
19	42.2%	31.1%	35.0%	69.1%	62.4%	22.0%	24.9%	37.8%
20	41.9%	53.5%	49.3%	81.3%	54.5%	17.4%	19.9%	28.7%
21	58.2%	55.3%	39.1%	69.2%	61.3%	34.9%	34.8%	26.4%
22	58.3%	48.5%	57.6%	65.1%	80.7%	23.0%	45.6%	42.2%
23	44.6%	34.1%	30.8%	48.0%	50.6%	17.0%	21.9%	33.2%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	80.5%	77.9%	80.6%	84.1%	81.6%	78.5%	56.9%	54.6%
2	69.4%	68.7%	74.4%	72.5%	78.0%	62.9%	48.9%	48.2%
3	62.3%	59.5%	70.6%	62.9%	67.3%	53.7%	44.8%	43.1%
4	57.2%	45.1%	54.5%	65.5%	63.1%	52.3%	15.1%	20.3%
5	79.9%	83.4%	77.1%	81.3%	79.4%	78.9%	57.8%	61.7%
6	83.2%	80.8%	82.4%	83.5%	84.0%	84.6%	54.0%	53.3%
7	58.9%	60.9%	53.5%	63.7%	61.4%	56.0%	23.8%	35.1%
8	77.8%	79.6%	77.3%	81.6%	81.9%	78.1%	55.3%	53.4%
9	81.4%	79.5%	87.0%	84.9%	82.1%	79.1%	64.6%	63.1%
10	85.4%	88.1%	86.7%	88.0%	86.8%	84.2%	41.7%	47.6%
11	84.6%	83.1%	83.0%	86.9%	89.2%	81.5%	68.7%	65.0%
12	71.0%	68.9%	75.3%	71.7%	75.4%	73.0%	46.1%	42.8%
15	83.0%	85.0%	83.6%	86.9%	86.8%	82.2%	57.2%	55.7%
16	61.7%	61.9%	66.5%	71.8%	73.4%	63.4%	54.0%	50.2%
17	90.6%	90.0%	88.7%	92.2%	92.0%	90.5%	64.6%	65.3%
18	68.0%	59.1%	67.4%	73.4%	73.9%	62.1%	53.6%	57.3%
19	74.8%	76.3%	72.3%	79.9%	80.4%	73.5%	45.9%	42.5%
20	64.8%	61.7%	56.8%	69.6%	73.6%	64.7%	41.9%	43.1%
21	73.8%	75.0%	77.3%	78.1%	80.5%	71.2%	52.0%	49.5%
22	83.9%	82.0%	86.3%	87.1%	86.3%	82.4%	57.1%	52.3%
13	68.6%	68.7%	72.2%	72.9%	72.5%	69.1%	50.4%	50.1%
14	77.5%	80.3%	78.4%	77.6%	76.5%	75.2%	44.3%	45.2%

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Exhibit III-3-1k
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: OP Psych
Enrollee Type: Pre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	90.4%	83.3%	74.0%	69.5%	75.7%	77.9%	59.8%	58.8%
2	93.2%	91.2%	86.9%	73.2%	84.3%	65.9%	73.4%	72.1%
3	89.4%	79.1%	71.9%	63.5%	72.9%	59.7%	70.7%	51.9%
4	93.3%	89.7%	82.1%	79.3%	81.0%	79.2%	76.1%	70.9%
5	88.8%	83.5%	74.1%	75.3%	79.4%	70.0%	70.8%	54.0%
6	91.9%	86.6%	85.0%	78.9%	84.8%	81.1%	69.8%	66.2%
7	93.3%	91.3%	86.1%	80.1%	85.4%	84.4%	73.7%	69.7%
8	94.6%	89.6%	86.1%	88.9%	90.0%	85.8%	75.6%	68.8%
9	93.1%	87.7%	81.5%	69.3%	83.4%	76.9%	78.3%	73.4%
10	93.6%	87.0%	85.9%	73.6%	84.4%	70.8%	61.4%	71.6%
11	87.5%	82.2%	77.8%	70.7%	80.2%	81.9%	65.6%	67.9%
12	87.4%	80.3%	76.0%	61.9%	77.5%	66.6%	54.7%	59.7%
15	94.7%	89.7%	85.8%	74.9%	86.3%	70.6%	66.7%	79.0%
16	93.8%	93.0%	89.3%	86.3%	90.4%	91.5%	84.7%	75.7%
17	92.1%	86.2%	82.2%	75.4%	83.4%	78.0%	71.2%	68.1%
18	95.1%	90.4%	89.0%	83.6%	87.9%	90.3%	85.9%	72.8%
19	91.2%	88.7%	85.1%	72.1%	87.5%	78.2%	74.3%	71.1%
20	95.5%	93.3%	90.5%	86.6%	91.5%	70.3%	78.7%	73.4%
21	95.2%	88.7%	86.5%	77.4%	87.1%	82.3%	79.0%	72.8%
22	94.0%	92.8%	86.3%	77.6%	84.8%	83.9%	68.1%	75.6%
23	90.4%	86.6%	82.4%	61.8%	84.7%	69.1%	71.9%	64.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	92.7%	86.2%	82.6%	79.1%	83.7%	80.9%	78.9%	71.3%
2	94.2%	89.5%	84.5%	84.1%	86.2%	76.4%	72.6%	68.7%
3	91.0%	81.3%	73.4%	75.8%	76.4%	62.8%	67.9%	60.7%
4	94.5%	90.1%	87.6%	84.2%	86.1%	83.5%	82.7%	80.9%
5	90.2%	85.5%	84.1%	85.1%	85.5%	79.9%	82.4%	64.5%
6	94.3%	90.0%	88.4%	86.7%	87.3%	81.2%	79.0%	74.1%
7	95.0%	91.9%	89.6%	86.5%	90.0%	79.5%	79.5%	75.2%
8	95.1%	89.2%	87.5%	89.2%	88.9%	87.1%	81.1%	77.0%
9	93.4%	87.5%	79.9%	74.3%	84.6%	74.9%	77.8%	70.4%
10	92.5%	89.8%	88.7%	80.2%	85.7%	74.4%	73.8%	72.9%
11	89.9%	85.9%	80.8%	78.5%	84.8%	73.0%	75.1%	72.5%
12	90.5%	85.7%	82.5%	74.3%	81.3%	80.9%	73.3%	73.1%
15	93.9%	90.9%	86.5%	77.7%	90.1%	84.4%	78.5%	82.1%
16	94.5%	92.0%	90.6%	87.8%	91.1%	76.6%	83.1%	81.1%
17	93.5%	91.6%	86.7%	80.7%	90.5%	74.4%	84.6%	78.9%
18	95.3%	91.4%	88.7%	84.9%	90.6%	87.2%	75.4%	76.7%
19	92.3%	93.5%	88.6%	72.4%	90.4%	75.2%	81.2%	77.9%
20	95.3%	93.0%	91.1%	83.6%	89.4%	86.5%	87.9%	71.6%
21	96.7%	94.0%	92.9%	85.9%	92.7%	96.6%	96.4%	85.1%
22	93.9%	90.2%	87.0%	83.4%	85.1%	71.8%	80.3%	74.5%
13	94.0%	90.5%	87.8%	80.7%	89.5%	80.4%	81.8%	76.3%
14	89.7%	88.6%	84.9%	59.3%	88.1%	75.9%	80.0%	69.9%

Service Type: OP Psych
Enrollee Type: Pre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	92.8%	78.1%	69.8%	74.5%	76.7%	76.6%	59.8%	50.1%
2	96.6%	90.9%	84.3%	73.3%	86.5%	58.2%	65.6%	79.9%
3	90.7%	81.5%	80.0%	70.4%	87.0%	55.6%	77.4%	51.4%
4	96.4%	92.5%	83.1%	80.5%	86.6%	77.1%	82.4%	79.7%
5	90.8%	74.1%	72.5%	80.4%	81.6%	65.5%	60.8%	46.4%
6	90.7%	85.5%	86.7%	77.6%	89.1%	80.5%	61.7%	59.3%
7	95.2%	88.1%	87.5%	85.4%	93.1%	84.9%	75.0%	69.2%
8	97.8%	88.9%	86.6%	89.6%	89.2%	85.3%	83.7%	85.0%
9	95.5%	89.4%	76.5%	80.7%	84.2%	72.1%	74.3%	73.2%
10	95.8%	89.3%	86.2%	78.0%	86.1%	75.5%	62.9%	69.9%
11	91.5%	83.3%	81.2%	76.6%	91.7%	86.7%	72.8%	74.4%
12	94.7%	84.8%	85.1%	67.7%	80.7%	74.0%	71.1%	70.2%
15	95.9%	90.9%	88.6%	79.6%	87.2%	64.9%	82.2%	83.4%
16	91.1%	97.6%	90.7%	88.4%	94.5%	88.0%	89.6%	79.2%
17	96.0%	88.1%	81.8%	91.5%	85.4%	76.2%	72.6%	63.4%
18	98.2%	92.0%	71.1%	86.0%	97.7%	88.1%	90.7%	69.9%
19	95.5%	85.2%	89.0%	81.4%	91.0%	78.4%	83.1%	80.1%
20	96.2%	94.0%	89.5%	95.6%	91.8%	59.1%	76.5%	76.3%
21	97.9%	91.2%	88.9%	68.9%	87.9%	75.8%	84.3%	76.4%
22	93.8%	94.4%	86.8%	89.6%	96.1%	86.4%	70.7%	79.6%
23	91.6%	91.3%	86.3%	83.8%	81.1%	67.9%	68.5%	64.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	91.8%	85.1%	81.6%	79.5%	89.6%	83.1%	78.9%	68.5%
2	93.4%	91.1%	83.3%	85.2%	87.9%	62.2%	72.4%	72.3%
3	94.2%	79.1%	75.8%	69.1%	81.4%	56.7%	68.5%	63.0%
4	93.0%	89.6%	90.1%	82.5%	87.3%	78.4%	84.1%	83.1%
5	91.1%	81.5%	78.9%	76.7%	84.2%	67.0%	81.1%	61.1%
6	94.3%	88.9%	89.0%	87.8%	85.4%	86.0%	79.0%	73.3%
7	96.3%	91.1%	89.5%	89.7%	93.7%	77.3%	83.5%	73.2%
8	96.0%	91.2%	90.8%	89.7%	89.5%	90.3%	85.5%	79.4%
9	96.3%	91.2%	81.8%	67.3%	78.8%	77.7%	75.0%	71.7%
10	94.5%	92.4%	87.8%	81.5%	92.4%	76.6%	75.3%	73.7%
11	92.3%	88.5%	77.7%	64.4%	90.2%	73.5%	74.7%	70.9%
12	92.5%	85.9%	82.2%	73.2%	89.0%	83.8%	72.7%	69.4%
15	92.5%	91.1%	85.1%	80.2%	93.5%	79.7%	75.9%	81.1%
16	95.1%	91.0%	91.1%	91.9%	92.0%	79.9%	84.8%	79.2%
17	94.0%	91.9%	82.2%	86.5%	92.1%	84.4%	85.1%	72.8%
18	94.7%	92.4%	83.7%	86.9%	88.8%	85.7%	72.2%	79.3%
19	92.1%	91.0%	84.4%	77.0%	90.8%	81.8%	78.3%	77.2%
20	92.8%	90.0%	86.1%	90.1%	87.5%	84.0%	85.7%	70.6%
21	95.4%	93.9%	93.3%	90.8%	93.8%	95.2%	96.4%	89.1%
22	96.1%	91.6%	83.2%	88.2%	90.7%	74.4%	83.6%	75.3%
13	94.4%	92.0%	81.7%	83.0%	86.1%	80.5%	77.9%	74.8%
14	88.7%	88.6%	86.7%	62.5%	88.5%	74.0%	76.6%	72.3%

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Exhibit III-3-1l
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: OP Psych
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	73.9%	58.7%	54.7%	56.3%	61.2%	43.8%	46.0%	47.0%
2	75.3%	65.6%	65.2%	68.5%	74.8%	57.5%	59.1%	52.0%
3	66.0%	52.4%	36.8%	50.1%	51.2%	41.1%	32.9%	34.6%
4	73.7%	73.4%	63.7%	58.7%	70.5%	61.8%	68.0%	70.6%
5	53.1%	37.9%	53.1%	60.7%	53.9%	44.3%	41.3%	39.4%
6	72.7%	68.7%	65.6%	56.8%	75.0%	50.8%	45.8%	47.3%
7	80.3%	68.0%	71.5%	56.0%	74.7%	59.4%	49.6%	54.6%
8	79.7%	72.8%	70.7%	80.8%	84.0%	62.4%	61.1%	54.6%
9	72.9%	71.6%	61.2%	51.8%	74.4%	57.6%	36.8%	59.5%
10	72.9%	80.3%	76.1%	61.5%	81.4%	57.7%	64.6%	71.2%
11	47.0%	62.4%	57.5%	62.0%	68.3%	61.3%	54.5%	62.7%
12	69.1%	53.4%	58.7%	55.4%	66.3%	53.2%	61.5%	46.1%
15	69.9%	61.7%	60.9%	56.7%	73.2%	53.2%	56.6%	54.2%
16	79.6%	75.2%	69.4%	70.3%	81.6%	60.2%	55.7%	63.1%
17	74.2%	65.4%	55.6%	63.6%	73.1%	48.2%	50.2%	51.0%
18	82.9%	79.8%	68.2%	77.3%	81.1%	55.5%	63.3%	60.2%
19	88.5%	75.0%	64.5%	57.1%	79.4%	58.6%	59.9%	58.6%
20	89.4%	81.3%	81.1%	80.0%	82.5%	70.9%	66.3%	63.8%
21	83.8%	74.5%	76.2%	64.4%	79.2%	58.3%	62.6%	62.0%
22	82.0%	79.4%	72.6%	64.0%	74.5%	58.5%	50.0%	50.2%
23	69.0%	64.7%	49.1%	39.6%	65.2%	55.8%	46.6%	48.5%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	83.4%	75.9%	72.6%	78.3%	77.1%	81.1%	59.8%	55.5%
2	86.0%	85.4%	86.3%	86.5%	84.6%	89.7%	73.2%	70.5%
3	74.6%	72.8%	66.6%	81.8%	76.4%	77.1%	55.0%	61.9%
4	83.4%	83.0%	87.2%	80.2%	82.5%	92.7%	83.1%	84.7%
5	74.0%	71.5%	76.7%	81.3%	72.4%	81.2%	66.6%	71.6%
6	84.2%	83.4%	85.4%	93.2%	89.4%	92.3%	73.7%	68.4%
7	87.1%	82.3%	88.5%	87.4%	87.8%	90.8%	74.4%	76.4%
8	80.9%	89.7%	82.4%	86.9%	88.2%	94.8%	71.5%	81.4%
9	78.9%	73.0%	72.7%	67.3%	79.1%	84.8%	66.7%	68.0%
10	89.0%	89.4%	83.8%	88.6%	92.6%	96.9%	77.8%	73.5%
11	77.1%	79.6%	83.4%	81.6%	84.0%	89.6%	75.8%	78.1%
12	77.7%	77.6%	82.1%	82.3%	82.2%	84.5%	71.3%	70.0%
15	90.6%	80.8%	88.1%	88.4%	82.6%	91.7%	78.1%	80.2%
16	79.2%	87.0%	96.8%	88.3%	90.8%	92.5%	78.8%	79.3%
17	86.6%	85.3%	82.0%	83.8%	97.1%	97.7%	83.4%	94.2%
18	77.7%	72.6%	74.8%	84.2%	76.9%	82.8%	71.4%	69.9%
19	73.5%	76.5%	72.4%	72.2%	74.5%	88.2%	73.1%	85.6%
20	91.6%	90.4%	87.9%	85.2%	91.2%	98.2%	79.7%	80.2%
21	86.7%	85.2%	94.7%	81.8%	85.6%	98.9%	84.0%	90.1%
22	88.5%	83.8%	70.3%	91.0%	88.1%	93.0%	72.6%	76.3%
13	82.3%	81.8%	78.9%	84.3%	83.4%	89.6%	78.0%	71.2%
14	69.1%	70.1%	69.2%	63.5%	73.2%	75.9%	58.5%	60.6%

Service Type: OP Psych
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	75.0%	53.5%	47.6%	77.2%	81.5%	50.1%	47.7%	44.3%
2	78.5%	68.3%	71.2%	84.1%	82.9%	53.0%	55.4%	41.9%
3	69.1%	49.1%	38.4%	45.9%	63.6%	46.8%	38.3%	37.7%
4	82.3%	71.6%	59.0%	60.4%	76.4%	63.5%	56.8%	75.4%
5	50.1%	22.5%	57.5%	69.1%	73.4%	41.7%	44.4%	54.4%
6	75.5%	63.4%	70.3%	78.6%	87.6%	51.6%	50.3%	45.4%
7	84.3%	73.2%	76.3%	78.0%	87.4%	67.6%	50.1%	68.0%
8	87.5%	81.1%	78.5%	84.4%	87.1%	67.9%	63.0%	62.4%
9	74.8%	73.6%	61.8%	62.5%	87.3%	48.8%	49.4%	63.2%
10	76.2%	86.7%	83.6%	75.0%	79.5%	42.1%	65.1%	73.2%
11	37.9%	62.6%	59.8%	83.3%	75.8%	65.1%	61.0%	67.0%
12	65.9%	37.6%	59.7%	80.8%	78.4%	54.0%	63.6%	39.4%
15	77.6%	62.8%	75.9%	59.3%	82.6%	58.4%	52.7%	54.5%
16	86.2%	82.3%	64.0%	77.9%	83.9%	61.0%	62.6%	72.4%
17	79.7%	70.2%	65.7%	76.8%	88.0%	43.2%	46.3%	61.2%
18	89.1%	86.6%	73.9%	87.8%	89.7%	60.8%	60.9%	67.7%
19	90.1%	72.7%	64.7%	74.9%	86.7%	58.8%	53.9%	67.8%
20	90.1%	87.4%	84.8%	91.8%	82.0%	63.5%	58.7%	63.1%
21	87.4%	79.1%	75.4%	76.2%	85.9%	65.0%	66.1%	62.0%
22	85.0%	80.1%	77.8%	67.9%	87.8%	54.3%	58.2%	58.9%
23	79.0%	67.1%	48.0%	48.8%	71.4%	48.2%	35.0%	54.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	90.9%	87.4%	86.2%	89.3%	87.4%	89.4%	66.3%	64.9%
2	88.3%	86.6%	89.3%	75.9%	88.7%	88.8%	73.3%	67.6%
3	80.8%	76.9%	81.6%	82.2%	83.4%	77.8%	63.0%	65.1%
4	82.5%	78.9%	87.6%	78.1%	85.6%	90.8%	64.0%	67.3%
5	84.3%	88.6%	85.1%	83.2%	82.8%	89.9%	68.4%	78.0%
6	92.7%	92.2%	93.1%	95.7%	94.5%	96.8%	82.4%	76.7%
7	78.4%	73.8%	77.7%	75.4%	76.1%	79.8%	62.0%	68.6%
8	90.6%	95.2%	91.6%	91.1%	94.0%	97.8%	80.7%	85.4%
9	92.4%	89.0%	93.2%	85.1%	91.4%	93.7%	82.4%	80.2%
10	96.0%	96.9%	94.7%	92.8%	97.4%	98.8%	81.3%	79.9%
11	92.9%	93.2%	94.1%	91.4%	95.4%	95.3%	84.1%	83.7%
12	80.2%	83.7%	88.8%	77.1%	87.5%	89.7%	70.6%	67.2%
15	95.0%	92.1%	94.7%	92.8%	92.3%	95.5%	80.8%	79.2%
16	75.3%	86.0%	96.9%	86.1%	90.7%	92.8%	84.3%	81.9%
17	95.6%	95.2%	92.9%	94.2%	98.8%	99.2%	85.1%	95.2%
18	85.9%	77.1%	84.1%	85.4%	83.6%	89.5%	78.2%	73.9%
19	92.4%	92.6%	90.5%	91.2%	93.2%	97.7%	78.1%	83.6%
20	94.1%	92.2%	87.8%	87.9%	92.9%	98.7%	78.2%	80.0%
21	93.4%	93.0%	97.8%	89.8%	93.6%	99.5%	85.3%	91.3%
22	95.3%	92.7%	90.9%	95.7%	95.3%	97.3%	81.5%	81.7%
13	88.5%	90.3%	87.8%	86.5%	86.9%	91.3%	79.3%	74.7%
14	90.3%	90.6%	89.1%	79.6%	87.7%	89.6%	64.0%	68.7%

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Exhibit III-3-1m
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Surgery
Enrollee Type: Pre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	57.2%	47.3%	44.4%	54.7%	52.5%	36.8%	32.9%	20.4%
2	59.0%	51.5%	46.7%	54.8%	52.0%	43.2%	31.0%	21.7%
3	50.0%	41.3%	35.8%	54.5%	50.6%	36.1%	22.2%	16.8%
4	50.4%	40.9%	37.8%	46.6%	43.8%	37.7%	18.5%	13.6%
5	52.7%	45.6%	44.1%	63.0%	56.7%	43.5%	24.7%	18.8%
6	55.3%	45.8%	45.9%	59.3%	53.5%	26.8%	23.1%	18.8%
7	45.3%	37.2%	35.3%	47.5%	47.5%	26.9%	15.8%	16.4%
8	51.3%	41.4%	38.5%	63.3%	52.8%	34.9%	17.2%	15.0%
9	56.2%	46.7%	45.3%	63.7%	55.8%	38.7%	29.2%	24.5%
10	53.0%	45.8%	43.7%	50.3%	43.7%	28.0%	19.8%	14.4%
11	45.9%	41.2%	39.7%	46.3%	47.4%	37.0%	24.0%	18.8%
12	59.0%	49.5%	46.8%	58.5%	56.3%	47.1%	31.7%	23.9%
15	56.7%	49.5%	49.6%	53.4%	57.4%	33.7%	23.0%	24.2%
16	47.3%	41.4%	40.0%	56.9%	52.8%	30.6%	23.1%	21.9%
17	56.7%	48.4%	44.3%	55.9%	55.8%	37.8%	24.7%	20.8%
18	65.9%	54.0%	53.3%	62.6%	59.9%	44.9%	31.8%	27.0%
19	59.6%	51.2%	50.2%	56.7%	58.3%	34.7%	25.8%	25.1%
20	67.0%	57.9%	54.5%	63.1%	63.7%	40.2%	32.4%	26.1%
21	68.2%	57.9%	57.2%	61.3%	64.7%	47.1%	37.8%	27.7%
22	65.6%	57.3%	57.4%	57.9%	66.6%	49.6%	29.4%	29.6%
23	60.9%	55.5%	55.2%	59.9%	62.9%	47.4%	39.7%	27.7%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	60.6%	49.8%	47.3%	57.7%	55.1%	44.8%	43.6%	22.7%
2	58.7%	49.1%	45.8%	59.1%	51.0%	48.8%	39.2%	22.4%
3	51.9%	39.2%	35.0%	55.6%	48.3%	33.4%	26.2%	17.6%
4	50.7%	40.1%	36.4%	46.2%	42.2%	31.1%	26.2%	15.2%
5	56.2%	47.3%	48.5%	67.2%	56.9%	47.1%	37.2%	21.0%
6	57.8%	47.9%	46.7%	59.6%	52.1%	31.1%	30.9%	21.5%
7	47.3%	37.3%	36.5%	52.4%	48.8%	31.7%	25.8%	20.0%
8	52.2%	40.2%	36.1%	61.9%	49.2%	32.7%	18.5%	14.3%
9	58.2%	47.6%	44.9%	62.5%	57.7%	38.4%	38.3%	28.1%
10	50.9%	44.5%	42.4%	52.6%	42.3%	27.9%	29.0%	17.2%
11	48.6%	42.4%	42.1%	51.4%	50.0%	29.7%	31.1%	21.8%
12	60.8%	49.7%	45.4%	61.4%	56.9%	48.2%	41.7%	26.2%
15	58.2%	49.8%	48.3%	54.3%	57.9%	36.2%	36.7%	25.6%
16	48.7%	40.9%	40.0%	57.7%	52.7%	28.3%	28.0%	23.2%
17	56.3%	46.8%	43.4%	56.5%	56.4%	31.8%	31.3%	22.3%
18	65.2%	52.0%	48.4%	61.2%	57.9%	40.5%	34.8%	27.4%
19	58.3%	49.9%	47.9%	55.6%	57.6%	34.8%	33.0%	25.6%
20	66.2%	55.4%	52.7%	63.5%	62.6%	44.5%	38.7%	25.6%
21	67.0%	54.7%	53.2%	59.3%	64.0%	43.1%	38.1%	26.7%
22	59.8%	46.1%	44.8%	54.1%	57.4%	34.7%	29.6%	22.1%
13	66.9%	59.4%	58.2%	69.8%	69.7%	53.2%	49.6%	35.2%
14	56.4%	50.3%	50.3%	52.6%	60.0%	29.0%	41.4%	19.1%

Service Type: Surgery
Enrollee Type: Pre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	60.5%	42.3%	40.8%	58.6%	53.1%	35.1%	32.9%	15.8%
2	65.3%	51.0%	43.6%	54.9%	54.3%	38.2%	27.2%	28.0%
3	52.1%	43.5%	42.4%	60.5%	63.5%	33.0%	29.1%	16.6%
4	57.8%	50.2%	38.8%	47.4%	50.7%	34.5%	25.3%	19.7%
5	55.1%	35.2%	42.4%	67.2%	58.3%	39.1%	19.5%	16.2%
6	53.2%	44.1%	48.6%	58.4%	61.8%	26.0%	19.6%	15.0%
7	49.6%	30.2%	37.7%	53.8%	63.5%	27.6%	16.5%	16.1%
8	62.5%	40.5%	39.2%	64.3%	51.6%	33.9%	22.8%	25.2%
9	63.2%	49.4%	39.2%	74.1%	56.9%	33.5%	26.4%	24.4%
10	57.6%	49.2%	44.2%	53.3%	45.1%	32.1%	20.5%	13.2%
11	50.3%	42.1%	42.3%	50.1%	59.9%	46.4%	29.6%	22.5%
12	70.6%	55.1%	55.6%	63.9%	58.6%	57.2%	41.1%	30.0%
15	59.8%	51.7%	52.7%	56.7%	58.9%	30.6%	36.0%	28.7%
16	42.2%	55.1%	41.7%	59.5%	63.8%	24.4%	30.7%	24.7%
17	70.2%	50.4%	43.8%	77.2%	57.2%	36.3%	25.6%	18.1%
18	84.5%	58.0%	39.7%	64.4%	77.4%	38.9%	39.2%	25.1%
19	66.2%	47.5%	57.4%	64.0%	64.0%	34.9%	33.6%	33.5%
20	69.7%	60.8%	52.4%	73.8%	64.5%	31.4%	30.1%	28.6%
21	85.8%	64.0%	62.4%	54.6%	66.0%	38.6%	44.5%	31.8%
22	64.8%	63.1%	58.4%	71.9%	85.4%	55.9%	30.7%	34.2%
23	63.0%	65.4%	59.3%	81.3%	60.0%	46.1%	37.0%	27.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	57.9%	47.5%	45.6%	58.0%	64.3%	48.4%	43.7%	19.2%
2	55.9%	53.5%	43.5%	60.1%	53.8%	31.8%	39.0%	26.2%
3	61.6%	34.9%	38.4%	50.7%	54.7%	27.1%	27.0%	19.7%
4	44.1%	38.5%	43.1%	44.5%	45.0%	21.9%	29.1%	18.9%
5	58.1%	40.7%	40.2%	60.6%	55.2%	30.4%	34.6%	18.1%
6	57.6%	44.9%	48.3%	61.3%	48.3%	42.1%	30.9%	20.2%
7	52.8%	34.6%	36.5%	56.3%	56.8%	28.4%	31.4%	17.9%
8	55.9%	45.2%	43.4%	62.9%	50.5%	40.5%	25.4%	17.3%
9	67.8%	56.1%	47.9%	56.6%	48.0%	42.2%	34.0%	29.6%
10	57.6%	52.4%	39.9%	53.6%	57.2%	31.1%	31.0%	18.4%
11	54.5%	47.6%	37.4%	41.9%	58.5%	30.1%	30.6%	19.9%
12	65.5%	50.2%	44.9%	60.5%	67.3%	54.2%	41.1%	21.0%
15	53.5%	50.2%	46.0%	56.1%	64.0%	29.6%	33.3%	24.2%
16	51.0%	37.6%	41.5%	63.5%	54.6%	32.2%	30.9%	20.1%
17	57.6%	47.8%	35.1%	61.1%	59.6%	41.8%	32.2%	14.5%
18	62.6%	55.1%	37.2%	63.0%	54.5%	37.7%	30.7%	30.5%
19	57.8%	40.7%	39.3%	59.1%	58.4%	41.6%	29.0%	24.8%
20	55.8%	44.9%	37.4%	69.5%	59.1%	38.8%	32.1%	24.2%
21	59.6%	54.1%	54.7%	65.4%	67.1%	30.1%	38.8%	36.6%
22	67.0%	49.8%	37.6%	58.4%	64.9%	37.3%	34.1%	23.0%
13	68.4%	63.9%	44.0%	71.8%	63.6%	53.5%	41.9%	32.6%
14	54.5%	50.3%	53.1%	55.5%	60.7%	26.9%	36.6%	22.0%

This report and all of the associated databases and summary reports were produced for the internal use of the Department of Veterans Affairs. If any portion of this report or the associated databases is released, reference must be made to the entire report. If this report or associated databases are released to parties outside the government, CACI, INC.-FEDERAL and Milliman USA, Inc. do not accept liability to any such third party.

Exhibit III-3-1n
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Surgery
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	18.3%	14.5%	14.8%	18.7%	24.8%	7.6%	10.3%	9.6%
2	14.9%	15.7%	15.6%	19.4%	23.4%	10.5%	8.6%	7.6%
3	14.5%	10.4%	9.9%	23.8%	20.0%	13.2%	7.3%	6.1%
4	15.8%	14.0%	13.0%	18.2%	21.5%	10.6%	7.1%	7.1%
5	15.5%	14.3%	13.8%	33.3%	25.6%	5.5%	6.9%	7.5%
6	15.6%	13.0%	14.6%	22.0%	25.9%	10.7%	4.9%	7.2%
7	16.1%	12.5%	12.7%	18.6%	21.9%	13.2%	6.3%	7.0%
8	19.5%	17.7%	16.2%	34.5%	31.9%	14.9%	7.6%	7.3%
9	18.5%	18.5%	18.7%	31.6%	32.5%	14.4%	8.5%	12.4%
10	16.1%	16.2%	14.9%	25.3%	24.3%	9.3%	13.8%	7.1%
11	13.3%	11.4%	11.8%	21.7%	22.9%	15.6%	5.0%	8.8%
12	19.1%	16.7%	16.0%	30.1%	27.6%	17.7%	9.1%	9.2%
15	16.2%	17.4%	17.8%	20.9%	26.9%	14.1%	10.9%	8.2%
16	15.6%	14.3%	14.3%	28.8%	27.7%	6.9%	9.0%	9.2%
17	19.5%	13.9%	13.5%	24.5%	29.0%	8.5%	10.6%	8.7%
18	26.7%	27.1%	24.4%	36.6%	40.0%	12.7%	12.6%	13.4%
19	21.4%	18.3%	17.6%	25.9%	30.4%	10.9%	13.2%	10.7%
20	25.4%	23.3%	21.0%	32.9%	37.6%	12.8%	14.4%	12.7%
21	28.5%	26.6%	24.8%	33.6%	32.7%	15.3%	10.4%	10.1%
22	25.0%	24.9%	25.6%	31.7%	38.5%	11.2%	10.9%	8.4%
23	22.1%	17.4%	18.6%	24.6%	28.8%	13.7%	15.9%	11.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	47.0%	44.7%	47.5%	46.1%	50.9%	47.4%	19.2%	20.8%
2	54.6%	54.1%	57.7%	62.5%	56.9%	57.4%	40.2%	38.8%
3	32.9%	38.7%	34.6%	50.8%	41.4%	44.5%	22.2%	22.6%
4	45.9%	39.9%	35.4%	44.9%	40.6%	41.3%	34.7%	32.4%
5	42.6%	47.0%	46.2%	52.9%	45.4%	44.8%	31.8%	28.5%
6	52.6%	49.7%	51.9%	60.8%	55.5%	51.5%	25.6%	23.9%
7	51.3%	51.4%	51.5%	59.6%	55.4%	57.5%	32.4%	28.1%
8	33.8%	38.2%	36.0%	49.6%	46.6%	41.2%	20.3%	20.9%
9	36.3%	35.6%	35.1%	52.1%	41.0%	36.5%	16.6%	22.1%
10	42.7%	43.5%	39.2%	47.7%	42.3%	41.2%	16.9%	11.6%
11	33.7%	36.9%	34.9%	45.9%	45.1%	40.8%	46.9%	36.7%
12	54.3%	50.6%	48.6%	62.0%	53.5%	48.2%	38.4%	34.6%
15	52.6%	42.8%	43.0%	54.9%	51.9%	55.5%	36.4%	36.0%
16	49.9%	51.2%	51.0%	55.9%	59.4%	46.6%	14.8%	20.0%
17	57.7%	57.8%	58.6%	57.6%	69.9%	63.4%	38.7%	42.1%
18	21.6%	25.5%	22.8%	38.2%	36.4%	22.0%	19.0%	24.4%
19	17.4%	23.1%	19.1%	36.0%	32.6%	32.9%	16.6%	21.2%
20	37.1%	41.0%	44.1%	51.2%	49.0%	40.6%	29.4%	28.1%
21	39.9%	21.9%	24.9%	35.6%	34.6%	30.1%	32.9%	25.0%
22	47.7%	43.1%	40.5%	47.3%	47.8%	35.1%	16.1%	18.4%
13	41.8%	36.3%	45.0%	45.9%	51.4%	46.5%	40.0%	31.3%
14	9.3%	20.5%	12.0%	22.6%	27.2%	18.7%	10.0%	11.5%

Service Type: Surgery
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	19.0%	12.6%	12.4%	31.6%	42.6%	9.8%	10.8%	8.4%
2	17.1%	17.7%	20.9%	26.8%	28.7%	8.6%	7.5%	5.1%
3	15.7%	9.5%	10.4%	21.8%	27.4%	15.7%	8.6%	7.0%
4	21.3%	12.3%	11.4%	18.9%	27.3%	11.4%	4.6%	10.7%
5	14.3%	8.5%	15.7%	38.0%	34.8%	5.0%	7.5%	10.9%
6	17.7%	10.8%	16.6%	30.9%	47.8%	11.0%	5.4%	6.8%
7	21.9%	17.7%	16.3%	33.1%	38.3%	24.1%	6.4%	12.8%
8	29.6%	25.4%	20.4%	38.1%	36.4%	18.6%	8.2%	9.1%
9	19.7%	19.6%	18.9%	38.1%	48.7%	10.1%	12.2%	13.7%
10	18.2%	23.7%	23.1%	31.6%	23.0%	5.3%	14.0%	7.9%
11	10.8%	11.4%	12.3%	33.6%	27.6%	18.2%	6.2%	10.7%
12	17.2%	11.8%	16.4%	43.9%	33.9%	18.5%	10.1%	7.6%
15	21.6%	17.7%	29.9%	21.9%	33.7%	16.5%	9.7%	8.3%
16	20.5%	19.1%	11.6%	35.1%	30.3%	7.3%	11.3%	12.5%
17	24.3%	18.3%	17.9%	29.6%	37.4%	6.7%	9.7%	11.2%
18	36.4%	42.6%	29.3%	48.7%	51.6%	15.6%	11.6%	16.7%
19	24.5%	16.6%	17.8%	39.3%	37.5%	10.9%	10.9%	14.2%
20	26.6%	33.5%	31.3%	49.8%	37.2%	8.3%	9.9%	12.2%
21	35.4%	32.9%	23.6%	43.7%	39.2%	20.1%	12.7%	10.0%
22	30.3%	26.1%	36.0%	33.6%	66.6%	9.1%	15.1%	11.9%
23	30.0%	18.5%	18.1%	30.3%	32.2%	9.5%	11.9%	13.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	54.8%	55.1%	58.0%	53.1%	59.7%	56.5%	24.7%	28.4%
2	58.2%	55.7%	62.2%	57.0%	61.2%	55.6%	41.5%	38.9%
3	46.3%	49.2%	52.8%	55.6%	55.3%	49.5%	36.3%	34.5%
4	35.9%	22.7%	22.3%	30.5%	34.5%	24.6%	7.3%	7.5%
5	59.7%	70.2%	62.3%	63.7%	61.7%	63.8%	37.1%	36.9%
6	68.3%	66.1%	67.6%	71.2%	68.8%	68.2%	46.7%	41.4%
7	27.8%	24.8%	21.2%	35.0%	28.0%	33.2%	12.6%	12.3%
8	44.4%	51.3%	49.3%	56.6%	58.5%	63.4%	40.7%	38.5%
9	62.1%	58.9%	65.3%	68.4%	61.6%	59.9%	41.7%	43.3%
10	55.1%	58.2%	49.8%	50.4%	53.6%	52.0%	31.4%	29.2%
11	44.6%	52.7%	44.5%	49.5%	57.6%	48.9%	63.2%	50.9%
12	48.6%	51.8%	45.7%	51.4%	52.1%	45.2%	35.2%	29.1%
15	66.8%	58.7%	58.7%	65.3%	66.8%	69.8%	35.4%	31.2%
16	25.0%	30.5%	31.3%	34.0%	44.3%	22.1%	27.3%	29.3%
17	61.6%	62.8%	62.8%	58.1%	76.3%	72.0%	46.8%	50.8%
18	35.5%	35.0%	37.1%	44.5%	47.1%	40.0%	37.7%	40.2%
19	43.2%	48.1%	41.5%	58.2%	56.2%	56.6%	32.9%	30.0%
20	44.7%	45.9%	43.0%	55.7%	52.3%	47.2%	28.6%	28.9%
21	64.9%	43.2%	48.9%	52.3%	55.5%	58.6%	41.1%	35.9%
22	71.1%	65.5%	68.0%	65.8%	69.5%	60.1%	33.7%	34.0%
13	52.7%	57.4%	60.5%	46.1%	55.3%	48.7%	41.3%	33.4%
14	49.9%	59.9%	49.7%	52.7%	58.5%	53.4%	29.3%	30.9%

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Exhibit III-3-1o
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Cardiovascular
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	51.1%	42.6%	42.7%	55.1%	50.4%	39.8%	33.5%	24.4%
2	56.6%	49.1%	44.4%	61.0%	51.6%	44.5%	32.5%	26.2%
3	39.7%	34.4%	29.1%	53.2%	46.6%	30.0%	18.2%	16.1%
4	47.8%	43.4%	40.9%	49.3%	46.8%	43.1%	34.0%	34.4%
5	62.8%	58.0%	54.7%	67.5%	66.9%	50.7%	40.9%	36.3%
6	54.2%	48.0%	46.2%	57.7%	54.1%	34.5%	26.7%	22.9%
7	45.0%	37.3%	36.5%	52.6%	48.8%	34.2%	22.9%	23.0%
8	52.0%	42.7%	40.2%	63.8%	54.7%	37.7%	18.8%	20.7%
9	55.7%	46.7%	44.6%	62.2%	55.6%	36.3%	35.7%	29.9%
10	44.3%	39.9%	37.0%	50.0%	37.9%	26.5%	18.4%	15.7%
11	39.2%	36.8%	34.1%	50.4%	43.4%	34.4%	19.4%	17.5%
12	50.5%	39.1%	39.0%	51.9%	52.4%	37.4%	29.5%	21.9%
15	54.8%	48.5%	45.3%	56.8%	53.3%	30.9%	29.5%	25.7%
16	50.5%	45.7%	45.1%	55.8%	56.6%	38.0%	30.5%	29.1%
17	63.0%	55.2%	53.8%	60.0%	64.0%	44.2%	34.0%	39.2%
18	64.3%	55.0%	52.4%	64.8%	60.5%	46.5%	31.2%	29.8%
19	63.3%	55.8%	57.3%	60.6%	63.2%	43.3%	39.7%	35.2%
20	63.3%	53.7%	51.6%	59.4%	60.5%	40.9%	41.5%	25.5%
21	60.9%	52.7%	49.9%	58.3%	58.4%	33.8%	31.1%	26.0%
22	61.8%	56.4%	53.9%	60.7%	64.2%	55.3%	33.2%	30.5%
23	62.7%	57.0%	57.1%	62.7%	63.9%	48.7%	43.7%	35.0%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	52.3%	43.4%	41.5%	57.7%	52.1%	36.0%	38.6%	28.8%
2	57.9%	50.7%	45.1%	61.5%	54.2%	51.6%	42.3%	29.4%
3	43.3%	33.8%	30.0%	59.6%	47.1%	32.7%	25.1%	17.3%
4	50.7%	43.8%	40.4%	51.2%	47.1%	45.5%	35.1%	28.0%
5	63.5%	56.8%	55.5%	73.8%	68.2%	54.2%	48.6%	37.7%
6	62.5%	52.3%	52.5%	64.6%	58.8%	37.4%	35.7%	29.8%
7	52.0%	42.5%	42.4%	59.8%	53.9%	38.2%	28.0%	26.0%
8	54.3%	42.6%	39.0%	65.2%	53.9%	41.2%	23.8%	20.9%
9	60.0%	50.0%	46.5%	63.6%	58.1%	45.6%	42.6%	34.9%
10	48.1%	39.1%	38.5%	52.4%	39.2%	25.5%	23.5%	18.5%
11	44.9%	37.4%	36.0%	55.2%	45.6%	31.3%	23.3%	18.7%
12	55.7%	46.3%	42.9%	62.3%	56.5%	44.8%	41.4%	27.0%
15	54.8%	47.4%	45.3%	57.1%	54.0%	41.7%	35.1%	28.9%
16	58.5%	53.1%	51.9%	63.8%	63.5%	42.7%	44.2%	36.2%
17	61.9%	54.0%	52.3%	62.7%	65.3%	41.9%	39.4%	39.3%
18	64.3%	53.2%	50.3%	68.8%	60.8%	41.4%	39.1%	31.8%
19	61.0%	57.0%	58.7%	64.5%	66.0%	47.6%	42.6%	35.2%
20	65.5%	56.7%	53.3%	67.7%	62.5%	49.4%	37.1%	27.3%
21	63.9%	53.2%	49.9%	62.1%	60.2%	41.8%	33.2%	24.8%
22	58.2%	46.6%	43.7%	58.5%	55.0%	36.1%	28.1%	23.2%
13	68.6%	59.4%	60.2%	72.1%	71.3%	54.7%	50.1%	43.4%
14	62.5%	54.2%	52.7%	61.3%	61.1%	47.8%	47.8%	24.6%

Service Type: Cardiovascular
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	54.0%	38.1%	39.2%	59.2%	51.0%	38.0%	33.4%	18.9%
2	62.6%	48.7%	41.4%	61.1%	53.9%	39.3%	28.6%	33.8%
3	41.3%	36.3%	34.4%	59.0%	58.5%	27.4%	23.9%	15.9%
4	54.8%	53.4%	42.0%	50.2%	54.2%	39.4%	46.4%	49.8%
5	65.7%	44.7%	52.6%	72.1%	68.7%	45.6%	32.4%	31.2%
6	52.2%	46.2%	48.9%	56.8%	62.5%	33.4%	22.6%	18.3%
7	49.3%	30.2%	39.1%	59.6%	65.3%	35.1%	24.0%	22.5%
8	63.4%	41.7%	40.9%	64.8%	53.5%	36.6%	24.9%	34.9%
9	62.6%	49.4%	38.6%	72.4%	56.7%	31.5%	32.2%	29.7%
10	48.1%	42.8%	37.5%	53.0%	39.1%	30.4%	19.0%	14.4%
11	43.0%	37.7%	36.3%	54.6%	54.9%	43.2%	24.0%	20.9%
12	60.4%	43.5%	46.4%	56.8%	54.6%	45.4%	38.3%	27.6%
15	57.8%	50.6%	48.1%	60.3%	54.7%	28.1%	46.0%	30.4%
16	45.1%	60.9%	47.0%	58.3%	68.3%	30.3%	40.5%	32.7%
17	78.1%	57.5%	53.2%	82.9%	65.5%	42.4%	35.3%	34.1%
18	82.5%	59.0%	39.1%	66.6%	78.1%	40.3%	38.4%	27.8%
19	70.4%	51.8%	65.5%	68.4%	69.4%	43.5%	51.6%	46.9%
20	65.8%	56.4%	49.7%	69.6%	61.3%	32.0%	38.6%	28.0%
21	77.5%	58.2%	54.5%	51.9%	59.6%	27.7%	36.7%	29.9%
22	61.1%	62.1%	54.8%	75.5%	82.4%	62.4%	34.7%	35.4%
23	64.8%	67.1%	61.3%	85.1%	60.9%	47.4%	40.7%	34.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	50.0%	41.4%	40.0%	58.0%	60.8%	38.9%	38.7%	24.4%
2	55.1%	55.3%	42.9%	62.5%	57.2%	33.6%	42.1%	34.4%
3	51.4%	30.1%	32.9%	54.3%	53.4%	26.6%	25.8%	19.3%
4	44.1%	42.0%	47.8%	49.5%	50.3%	32.1%	39.0%	34.8%
5	65.7%	48.9%	46.0%	66.5%	66.1%	35.0%	45.2%	32.6%
6	62.2%	49.0%	54.3%	66.4%	54.4%	50.5%	35.7%	28.0%
7	58.1%	39.5%	42.3%	64.3%	62.7%	34.2%	34.2%	23.3%
8	58.1%	48.0%	47.0%	66.3%	55.3%	50.9%	32.7%	25.2%
9	69.9%	58.9%	49.6%	57.6%	48.4%	50.2%	37.8%	36.8%
10	54.4%	46.1%	36.2%	53.4%	53.0%	28.4%	25.1%	19.8%
11	50.4%	41.9%	31.9%	45.1%	53.3%	31.8%	22.9%	17.1%
12	60.0%	46.8%	42.4%	61.4%	66.7%	50.4%	40.8%	21.7%
15	50.4%	47.8%	43.2%	59.0%	59.7%	34.1%	31.9%	27.2%
16	61.3%	48.8%	53.8%	70.1%	65.8%	48.6%	48.8%	31.4%
17	63.3%	55.1%	42.2%	67.8%	69.0%	55.1%	40.6%	25.5%
18	61.8%	56.3%	38.7%	70.8%	57.2%	38.5%	34.5%	35.4%
19	60.5%	46.5%	48.2%	68.6%	66.9%	57.0%	37.5%	34.0%
20	55.3%	46.0%	37.8%	74.2%	59.0%	43.0%	30.8%	25.8%
21	56.8%	52.7%	51.3%	68.5%	63.1%	29.2%	33.9%	34.0%
22	65.2%	50.3%	36.7%	63.2%	62.2%	38.8%	32.3%	24.1%
13	70.2%	63.9%	45.5%	74.2%	65.0%	55.1%	42.3%	40.2%
14	60.4%	54.2%	55.6%	64.7%	61.8%	44.3%	42.2%	28.4%

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Exhibit III-3-1p
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Cardiovascular
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	21.0%	16.5%	19.5%	27.8%	28.4%	14.6%	16.2%	16.6%
2	19.7%	15.3%	14.8%	25.5%	27.5%	11.4%	12.6%	12.6%
3	15.4%	11.4%	10.8%	27.6%	20.9%	9.1%	6.5%	9.0%
4	26.1%	27.1%	27.5%	27.3%	35.4%	27.0%	24.9%	32.8%
5	30.9%	29.2%	29.4%	43.4%	46.3%	23.3%	16.8%	25.1%
6	21.7%	17.7%	19.4%	27.4%	32.8%	21.7%	13.2%	13.6%
7	18.6%	17.0%	16.4%	25.5%	27.1%	14.8%	10.1%	12.6%
8	24.1%	23.7%	21.3%	44.3%	39.0%	16.8%	13.8%	15.7%
9	23.4%	25.0%	24.4%	39.9%	37.8%	19.6%	12.1%	23.2%
10	15.3%	16.8%	16.7%	26.8%	23.5%	12.4%	13.1%	11.6%
11	14.5%	13.4%	13.5%	28.3%	24.2%	11.9%	8.3%	11.3%
12	16.8%	14.1%	15.3%	29.3%	25.5%	15.7%	9.7%	9.3%
15	17.7%	17.5%	17.4%	27.7%	25.4%	16.3%	10.4%	10.7%
16	24.3%	21.4%	22.6%	29.8%	36.2%	14.3%	16.7%	20.9%
17	27.4%	22.8%	22.1%	33.1%	42.5%	18.9%	22.8%	24.1%
18	29.5%	30.1%	29.8%	43.4%	46.4%	26.2%	17.5%	21.1%
19	27.0%	25.1%	26.1%	32.7%	40.0%	16.6%	22.1%	19.6%
20	27.2%	20.2%	22.4%	33.8%	40.0%	16.7%	15.9%	16.3%
21	27.9%	25.2%	20.6%	38.8%	33.1%	14.8%	10.8%	10.4%
22	28.0%	25.0%	23.7%	37.7%	38.5%	9.0%	11.3%	11.0%
23	28.7%	27.6%	25.5%	29.5%	36.8%	20.1%	23.5%	21.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	55.0%	47.7%	52.2%	50.6%	58.5%	53.1%	34.4%	34.8%
2	55.7%	56.6%	59.3%	68.1%	66.2%	61.5%	49.8%	49.9%
3	43.2%	43.8%	38.1%	53.4%	47.1%	43.7%	20.1%	29.0%
4	50.1%	47.5%	50.1%	49.5%	52.7%	51.6%	36.5%	47.0%
5	56.3%	52.8%	61.3%	67.0%	64.9%	60.5%	42.6%	47.0%
6	56.7%	52.3%	56.0%	65.2%	62.7%	62.8%	23.2%	33.4%
7	53.7%	56.5%	59.9%	64.6%	64.5%	57.2%	38.3%	38.7%
8	44.7%	49.5%	45.2%	64.0%	57.5%	41.6%	24.1%	34.3%
9	44.9%	43.9%	43.8%	50.9%	48.2%	42.5%	29.1%	30.1%
10	50.7%	47.5%	50.2%	58.5%	53.9%	47.8%	20.8%	27.4%
11	45.4%	38.8%	40.1%	52.6%	48.9%	39.6%	37.9%	40.6%
12	56.4%	51.3%	52.9%	66.4%	59.1%	58.7%	35.5%	42.1%
15	53.2%	56.9%	52.1%	62.1%	56.4%	56.9%	32.9%	46.2%
16	65.4%	64.5%	62.7%	67.6%	72.6%	70.6%	27.3%	42.6%
17	63.0%	63.5%	64.3%	65.9%	78.5%	74.1%	53.4%	59.8%
18	40.1%	44.7%	42.3%	52.2%	53.3%	23.2%	24.5%	42.1%
19	29.5%	36.2%	27.3%	43.4%	44.8%	34.6%	30.8%	34.5%
20	46.1%	45.3%	52.8%	47.0%	58.0%	47.7%	30.2%	35.6%
21	43.3%	23.3%	26.9%	45.5%	35.9%	30.6%	36.7%	27.4%
22	46.5%	48.8%	43.2%	55.8%	54.8%	33.4%	21.5%	25.4%
13	46.6%	42.5%	51.4%	60.5%	60.6%	52.1%	38.0%	44.7%
14	26.9%	38.2%	25.4%	36.9%	41.5%	34.2%	41.5%	29.2%

Service Type: Cardiovascular
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	21.8%	14.3%	16.3%	46.9%	48.7%	18.7%	17.0%	14.6%
2	22.6%	17.1%	19.8%	35.3%	33.8%	9.3%	11.0%	8.5%
3	16.7%	10.5%	11.3%	25.3%	28.6%	10.9%	7.6%	10.2%
4	35.1%	24.0%	24.0%	28.3%	45.1%	29.1%	16.1%	43.7%
5	28.6%	17.3%	33.4%	49.4%	63.1%	20.9%	18.4%	36.4%
6	24.6%	14.7%	22.1%	38.5%	60.5%	22.3%	14.6%	12.9%
7	25.3%	24.2%	21.0%	45.2%	47.3%	27.1%	10.3%	23.1%
8	36.6%	33.9%	26.8%	49.0%	44.6%	21.0%	14.8%	19.5%
9	24.9%	26.4%	24.8%	48.1%	56.6%	13.8%	17.4%	25.8%
10	17.4%	24.7%	25.9%	33.4%	22.2%	7.1%	13.3%	13.0%
11	11.7%	13.4%	14.1%	43.8%	29.1%	13.9%	10.4%	13.7%
12	15.1%	9.9%	15.6%	42.6%	31.3%	16.4%	10.8%	7.6%
15	23.6%	17.9%	29.3%	28.9%	31.8%	19.2%	9.2%	10.8%
16	32.1%	28.6%	18.3%	36.4%	39.7%	15.0%	21.0%	28.2%
17	34.2%	29.9%	29.3%	39.9%	54.8%	15.0%	21.0%	31.0%
18	40.2%	47.3%	35.8%	57.7%	59.8%	32.2%	16.1%	26.4%
19	30.9%	22.8%	26.2%	49.5%	49.3%	16.6%	18.4%	25.9%
20	28.5%	29.1%	33.3%	51.2%	39.5%	10.7%	10.9%	15.8%
21	34.7%	31.3%	19.6%	50.5%	39.8%	19.5%	13.2%	10.4%
22	33.9%	26.3%	33.3%	40.0%	66.6%	7.4%	15.7%	15.4%
23	38.9%	29.5%	24.8%	36.4%	41.2%	13.9%	17.6%	25.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	66.5%	60.3%	65.6%	59.5%	70.4%	65.2%	41.4%	45.4%
2	59.5%	58.4%	64.1%	60.9%	73.0%	59.1%	50.0%	46.3%
3	55.9%	53.0%	57.9%	57.3%	61.0%	49.1%	34.7%	38.1%
4	42.9%	33.8%	52.1%	37.2%	60.0%	39.6%	8.5%	19.9%
5	71.3%	77.0%	74.8%	73.2%	77.7%	78.8%	46.6%	57.5%
6	73.9%	70.2%	73.3%	75.4%	76.9%	84.8%	43.8%	50.2%
7	34.3%	37.5%	38.4%	44.5%	45.8%	32.7%	16.6%	22.9%
8	61.5%	69.2%	64.9%	72.0%	72.8%	64.1%	44.7%	48.8%
9	75.4%	71.3%	80.7%	67.0%	71.1%	68.7%	59.2%	52.0%
10	69.5%	65.7%	70.0%	62.7%	73.5%	63.7%	34.3%	44.4%
11	72.6%	57.2%	55.8%	59.0%	64.4%	46.8%	54.2%	54.3%
12	52.3%	53.4%	56.3%	56.8%	63.6%	71.5%	31.6%	36.9%
15	67.4%	76.4%	69.9%	71.8%	71.7%	71.2%	30.3%	42.7%
16	57.1%	61.6%	59.8%	55.6%	71.3%	71.6%	41.8%	49.7%
17	73.1%	75.9%	74.5%	71.7%	89.4%	91.0%	58.7%	66.7%
18	57.3%	53.1%	60.2%	56.7%	64.1%	41.8%	42.1%	51.7%
19	62.2%	66.4%	52.6%	66.8%	71.4%	58.8%	43.9%	35.9%
20	58.6%	51.7%	52.3%	50.6%	62.9%	57.3%	29.3%	35.7%
21	69.1%	45.0%	51.7%	62.5%	56.9%	59.4%	43.9%	37.8%
22	69.9%	71.1%	71.4%	72.8%	76.1%	58.1%	39.9%	40.4%
13	60.4%	69.3%	71.2%	63.3%	66.8%	55.6%	38.9%	51.3%
14	73.1%	79.1%	63.2%	62.2%	69.5%	66.6%	46.4%	41.3%

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Exhibit III-3-1q
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: ER Visits
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	39.7%	32.4%	30.7%	36.4%	33.4%	18.4%	19.8%	13.9%
2	41.3%	32.7%	30.4%	44.8%	32.8%	23.8%	23.1%	15.7%
3	48.7%	42.4%	39.1%	55.4%	53.7%	38.7%	24.5%	19.5%
4	30.5%	22.1%	20.3%	33.3%	26.3%	23.6%	10.3%	6.6%
5	48.6%	41.0%	41.7%	57.6%	53.2%	31.3%	19.3%	19.7%
6	42.8%	35.3%	34.7%	44.2%	39.6%	25.6%	18.6%	15.6%
7	33.1%	26.6%	25.7%	33.9%	30.5%	21.9%	13.0%	12.3%
8	46.7%	34.1%	35.7%	55.6%	46.7%	28.1%	14.9%	14.8%
9	37.4%	31.4%	31.9%	44.3%	38.7%	25.3%	23.3%	17.1%
10	35.3%	28.8%	26.6%	38.6%	27.5%	15.0%	7.8%	9.5%
11	26.4%	23.8%	21.1%	30.7%	26.2%	15.4%	12.5%	8.8%
12	38.0%	28.1%	28.5%	47.1%	39.1%	28.9%	16.5%	16.2%
15	51.9%	42.4%	41.5%	53.4%	46.3%	27.3%	25.5%	20.0%
16	42.7%	36.3%	36.0%	48.3%	42.4%	27.9%	22.3%	19.0%
17	47.7%	35.8%	36.5%	46.9%	41.7%	37.2%	17.6%	14.1%
18	52.5%	44.0%	43.3%	51.8%	46.2%	31.4%	27.9%	22.1%
19	58.4%	44.9%	44.5%	52.2%	47.7%	32.3%	29.3%	21.8%
20	61.0%	50.5%	47.4%	53.1%	50.5%	35.9%	34.8%	21.8%
21	51.3%	38.2%	40.6%	39.0%	42.9%	28.4%	23.1%	23.6%
22	50.9%	43.7%	46.7%	47.0%	51.6%	41.1%	20.3%	26.1%
23	35.6%	25.9%	25.0%	34.8%	27.8%	13.8%	12.4%	11.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	44.0%	33.8%	31.5%	41.4%	34.0%	22.8%	25.6%	13.9%
2	46.3%	38.0%	36.0%	47.5%	37.6%	38.1%	40.8%	17.4%
3	59.5%	50.3%	48.3%	64.2%	60.1%	47.9%	37.2%	29.0%
4	36.4%	27.4%	24.8%	33.7%	26.2%	16.7%	16.0%	8.5%
5	51.1%	45.0%	42.3%	60.7%	52.8%	46.3%	29.6%	20.8%
6	49.2%	41.1%	41.0%	46.2%	44.6%	26.0%	31.1%	22.4%
7	42.8%	32.8%	33.5%	43.1%	38.0%	22.2%	25.5%	17.8%
8	46.1%	37.0%	35.2%	54.4%	46.0%	34.9%	20.1%	17.9%
9	47.3%	40.2%	42.5%	49.3%	47.6%	27.9%	35.8%	29.2%
10	34.5%	24.0%	26.1%	39.7%	25.4%	9.7%	19.2%	8.7%
11	35.0%	27.2%	26.1%	41.9%	29.6%	16.4%	15.8%	12.2%
12	40.8%	32.1%	32.8%	49.9%	40.9%	28.1%	29.9%	18.3%
15	49.4%	39.2%	39.2%	51.5%	44.0%	35.6%	28.5%	21.0%
16	43.8%	36.0%	38.8%	49.8%	43.8%	26.4%	33.4%	20.8%
17	48.7%	42.3%	38.6%	50.3%	44.8%	27.0%	21.7%	18.1%
18	54.7%	43.4%	42.0%	55.6%	50.1%	41.4%	36.2%	28.2%
19	61.8%	53.1%	52.6%	55.2%	56.4%	35.5%	35.6%	26.2%
20	61.4%	48.1%	45.3%	54.2%	50.9%	43.9%	31.8%	25.5%
21	61.7%	52.6%	49.2%	48.0%	50.0%	42.3%	37.0%	34.0%
22	57.3%	45.0%	43.7%	48.9%	49.7%	30.4%	28.6%	25.1%
13	31.0%	18.8%	18.5%	27.7%	19.5%	24.3%	12.5%	7.2%
14	41.2%	30.1%	36.9%	41.1%	36.6%	25.0%	25.1%	13.1%

Service Type: ER Visits
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	42.0%	28.9%	28.2%	39.1%	33.9%	17.5%	19.8%	10.8%
2	45.7%	32.4%	28.4%	44.8%	34.3%	21.0%	20.3%	20.3%
3	50.7%	44.7%	46.3%	61.4%	67.4%	35.3%	32.1%	19.4%
4	35.0%	27.2%	20.9%	33.8%	30.4%	21.6%	14.0%	9.5%
5	50.8%	31.6%	40.1%	61.5%	54.6%	28.1%	15.2%	16.9%
6	41.2%	34.0%	36.8%	43.5%	45.7%	24.9%	15.7%	12.4%
7	36.2%	21.6%	27.5%	38.4%	40.8%	22.5%	13.6%	12.1%
8	56.9%	33.4%	36.3%	56.5%	45.6%	27.2%	19.7%	25.0%
9	42.1%	33.2%	27.6%	51.6%	39.4%	21.9%	21.0%	17.0%
10	38.3%	30.9%	26.9%	40.9%	28.4%	17.2%	8.0%	8.7%
11	28.9%	24.4%	22.5%	33.2%	33.1%	19.3%	15.4%	10.5%
12	45.4%	31.3%	33.8%	51.5%	40.7%	35.1%	21.4%	20.4%
15	54.7%	44.3%	44.1%	56.7%	47.5%	24.8%	39.9%	23.7%
16	38.1%	48.4%	37.5%	50.4%	51.1%	22.3%	29.7%	21.4%
17	59.1%	37.3%	36.1%	64.7%	42.7%	35.6%	18.3%	12.2%
18	67.3%	47.2%	32.3%	53.3%	59.6%	27.2%	34.4%	20.6%
19	64.9%	41.7%	50.9%	58.9%	52.4%	32.5%	38.1%	29.1%
20	63.5%	53.0%	45.6%	62.1%	51.1%	28.1%	32.3%	24.0%
21	65.3%	42.2%	44.3%	34.8%	43.8%	23.3%	27.2%	27.1%
22	50.3%	48.2%	47.5%	58.4%	66.3%	46.3%	21.2%	30.1%
23	36.8%	30.5%	26.8%	47.2%	26.5%	13.5%	11.5%	11.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	42.1%	32.3%	30.3%	41.6%	39.7%	24.6%	25.6%	11.8%
2	44.1%	41.4%	34.2%	48.2%	39.7%	24.8%	40.6%	20.3%
3	70.6%	44.9%	52.9%	58.5%	68.0%	39.4%	38.3%	32.4%
4	31.7%	26.3%	29.4%	32.5%	27.9%	11.7%	17.7%	10.5%
5	52.8%	38.7%	35.1%	54.7%	51.2%	29.9%	27.6%	17.9%
6	48.9%	38.5%	42.5%	47.5%	41.3%	35.1%	31.1%	21.0%
7	47.7%	30.5%	33.5%	46.4%	44.2%	19.9%	31.1%	15.9%
8	49.3%	41.7%	42.3%	55.3%	47.1%	43.1%	27.6%	21.7%
9	55.1%	47.3%	45.3%	44.6%	39.6%	30.6%	31.8%	30.8%
10	39.0%	28.3%	24.5%	40.5%	34.4%	10.8%	20.4%	9.3%
11	39.3%	30.5%	23.2%	34.1%	34.6%	16.6%	15.5%	11.1%
12	43.9%	32.4%	32.5%	49.2%	48.4%	31.7%	29.5%	14.7%
15	45.4%	39.6%	37.4%	53.1%	48.6%	29.1%	25.8%	19.8%
16	45.9%	33.0%	40.2%	54.7%	45.4%	30.1%	36.8%	18.0%
17	49.9%	43.2%	31.2%	54.4%	47.3%	35.5%	22.4%	11.7%
18	52.5%	45.9%	32.3%	57.2%	47.2%	38.5%	31.9%	31.4%
19	61.2%	43.4%	43.2%	58.7%	57.2%	42.5%	31.4%	25.3%
20	51.8%	39.0%	32.1%	59.4%	48.0%	38.2%	26.4%	24.2%
21	54.8%	52.1%	50.6%	53.0%	52.5%	29.6%	37.8%	46.7%
22	64.2%	48.7%	36.7%	52.8%	56.3%	32.7%	32.9%	26.0%
13	31.7%	20.2%	13.9%	28.5%	17.8%	24.5%	10.5%	6.7%
14	39.8%	30.1%	39.0%	43.3%	37.0%	23.2%	22.2%	15.1%

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Exhibit III-3-1r
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: ER Visits
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	12.6%	9.9%	10.4%	15.5%	12.9%	4.4%	4.3%	5.6%
2	13.0%	4.6%	6.9%	16.0%	11.8%	4.2%	6.3%	3.4%
3	17.3%	13.1%	9.9%	32.4%	26.5%	11.1%	7.4%	7.1%
4	10.4%	6.0%	6.6%	13.2%	10.1%	8.9%	3.5%	2.9%
5	17.2%	13.8%	14.9%	34.7%	28.2%	17.4%	0.7%	8.2%
6	15.3%	15.3%	11.6%	19.2%	19.5%	9.6%	5.7%	6.7%
7	10.4%	9.5%	9.2%	15.0%	14.9%	10.4%	4.5%	6.0%
8	17.5%	13.3%	15.0%	37.0%	31.7%	17.4%	7.1%	6.1%
9	9.4%	12.1%	11.3%	25.2%	21.4%	12.5%	8.5%	9.1%
10	12.3%	11.4%	8.3%	21.2%	13.0%	8.0%	6.7%	5.4%
11	9.8%	7.4%	6.5%	16.9%	11.5%	8.9%	1.3%	3.8%
12	9.8%	7.4%	10.7%	24.9%	19.9%	2.0%	3.5%	6.9%
15	12.9%	13.0%	14.7%	27.3%	19.5%	7.5%	6.7%	7.4%
16	14.1%	12.0%	14.3%	26.2%	22.2%	4.0%	6.7%	8.7%
17	20.1%	12.4%	10.5%	24.8%	21.7%	9.5%	14.4%	5.9%
18	21.7%	18.4%	17.8%	32.1%	30.5%	15.6%	9.0%	11.0%
19	18.8%	18.6%	16.7%	25.3%	24.0%	6.7%	10.3%	9.2%
20	28.4%	26.1%	24.7%	28.1%	33.2%	13.5%	15.2%	13.5%
21	17.4%	15.0%	16.6%	24.6%	19.9%	2.1%	10.1%	7.6%
22	20.2%	16.6%	19.3%	27.1%	26.5%	2.9%	4.6%	7.4%
23	10.3%	6.3%	4.8%	13.7%	8.8%	1.7%	1.8%	2.2%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	42.2%	38.3%	46.2%	41.7%	43.5%	40.7%	12.3%	12.0%
2	48.0%	47.2%	50.3%	62.8%	52.0%	48.9%	38.7%	38.6%
3	42.2%	56.1%	44.9%	72.7%	58.2%	47.3%	36.0%	39.3%
4	41.0%	38.9%	33.4%	40.4%	34.1%	29.9%	32.7%	28.2%
5	43.7%	39.2%	47.0%	56.2%	51.2%	44.3%	38.0%	38.4%
6	53.9%	56.6%	57.0%	58.7%	59.6%	53.6%	39.6%	33.5%
7	48.4%	52.4%	54.9%	55.9%	58.2%	59.2%	46.4%	39.7%
8	37.9%	42.6%	36.7%	49.5%	53.8%	40.6%	16.9%	27.5%
9	34.0%	41.2%	46.9%	39.7%	49.1%	47.2%	39.7%	43.4%
10	37.8%	38.7%	32.9%	40.6%	35.2%	34.7%	12.8%	7.4%
11	25.5%	41.0%	30.4%	36.2%	35.5%	29.0%	33.9%	29.1%
12	52.5%	44.0%	48.9%	57.5%	52.1%	47.9%	42.5%	35.9%
15	52.7%	46.6%	49.2%	61.5%	48.4%	44.5%	34.0%	36.7%
16	50.2%	52.6%	51.1%	60.2%	58.7%	53.4%	18.8%	22.1%
17	59.6%	57.5%	58.8%	59.4%	64.9%	60.2%	38.0%	39.1%
18	21.0%	18.6%	32.1%	32.1%	37.2%	19.5%	26.4%	26.0%
19	23.5%	32.2%	31.0%	39.7%	43.7%	28.1%	27.1%	31.6%
20	40.9%	44.4%	39.0%	56.3%	52.4%	43.5%	31.6%	33.4%
21	40.2%	27.9%	27.9%	37.2%	34.7%	31.0%	34.6%	30.6%
22	39.2%	39.3%	39.4%	51.8%	51.4%	36.1%	26.5%	22.1%
13	21.0%	16.0%	19.4%	21.8%	21.8%	17.3%	18.6%	18.3%
14	7.5%	17.8%	8.1%	10.6%	14.2%	5.9%	11.4%	4.4%

Service Type: ER Visits
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	13.1%	8.6%	8.7%	26.2%	22.1%	5.7%	4.5%	4.9%
2	14.9%	5.1%	9.3%	22.2%	14.5%	3.4%	5.5%	2.3%
3	18.7%	12.1%	10.3%	29.7%	36.4%	13.2%	8.7%	8.1%
4	14.1%	5.3%	5.8%	13.6%	12.8%	9.5%	2.3%	4.5%
5	15.9%	8.2%	16.9%	39.5%	38.4%	15.6%	0.7%	11.9%
6	17.4%	12.7%	13.3%	27.0%	35.9%	9.9%	6.3%	6.3%
7	14.2%	13.4%	11.7%	26.6%	26.0%	19.2%	4.6%	11.0%
8	26.6%	19.0%	18.9%	40.9%	36.3%	21.7%	7.6%	7.6%
9	10.0%	12.8%	11.5%	30.4%	32.0%	8.8%	12.3%	10.1%
10	13.9%	16.8%	12.8%	26.4%	12.3%	4.6%	6.9%	6.1%
11	7.9%	7.4%	6.7%	26.2%	13.8%	10.4%	1.7%	4.6%
12	8.8%	5.2%	11.0%	36.3%	24.4%	2.1%	3.9%	5.7%
15	17.2%	13.3%	24.8%	28.6%	24.4%	8.8%	5.9%	7.4%
16	18.6%	16.0%	11.6%	31.9%	24.3%	4.2%	8.4%	11.8%
17	25.0%	16.3%	13.8%	29.9%	28.0%	7.5%	13.2%	7.6%
18	29.6%	29.0%	21.4%	42.6%	39.2%	19.1%	8.3%	13.7%
19	21.6%	16.9%	16.8%	38.3%	29.5%	6.8%	8.5%	12.1%
20	29.8%	37.5%	36.7%	42.5%	32.8%	8.7%	10.5%	13.1%
21	21.6%	18.6%	15.8%	32.0%	23.9%	2.8%	12.3%	7.6%
22	24.5%	17.4%	27.2%	28.8%	45.9%	2.4%	6.4%	10.5%
23	14.0%	6.8%	4.6%	16.9%	9.9%	1.2%	1.3%	2.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	47.9%	44.2%	56.0%	46.8%	49.2%	46.4%	17.2%	17.7%
2	49.8%	48.2%	52.8%	57.2%	55.0%	48.4%	40.2%	38.8%
3	55.0%	62.6%	67.8%	73.3%	70.6%	51.0%	47.3%	44.4%
4	27.7%	21.2%	18.2%	23.7%	20.7%	7.9%	6.0%	3.9%
5	60.7%	61.2%	63.0%	65.9%	66.4%	63.4%	42.6%	48.0%
6	70.2%	77.0%	74.7%	69.3%	73.5%	71.4%	59.5%	50.3%
7	19.8%	27.5%	28.2%	27.9%	33.4%	36.7%	22.2%	23.9%
8	50.7%	58.4%	50.5%	56.5%	67.9%	62.3%	37.1%	43.6%
9	58.5%	67.3%	86.2%	54.4%	72.3%	75.7%	68.2%	64.9%
10	46.5%	49.1%	38.0%	42.5%	41.2%	40.6%	28.4%	25.1%
11	24.6%	62.7%	34.6%	35.6%	40.2%	28.0%	50.1%	44.4%
12	45.5%	34.8%	46.4%	45.6%	49.2%	44.6%	40.1%	30.5%
15	66.9%	63.4%	66.3%	71.2%	62.9%	58.1%	32.0%	32.0%
16	25.5%	33.8%	31.7%	41.9%	42.8%	40.1%	31.8%	31.3%
17	65.8%	62.0%	63.2%	61.0%	68.6%	65.6%	46.2%	48.1%
18	34.9%	28.5%	48.1%	39.2%	48.0%	36.6%	43.5%	41.2%
19	52.8%	60.9%	57.6%	62.5%	69.9%	50.7%	41.1%	34.6%
20	50.6%	50.4%	37.6%	61.9%	56.3%	51.3%	30.5%	33.7%
21	65.3%	50.9%	53.0%	53.9%	55.6%	59.9%	42.4%	40.3%
22	62.4%	61.9%	66.6%	69.5%	72.8%	61.2%	45.7%	37.4%
13	19.6%	13.0%	17.7%	17.8%	18.2%	12.7%	15.1%	15.2%
14	47.6%	57.0%	45.8%	44.7%	48.5%	42.6%	30.0%	26.8%

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Exhibit III-3-1s
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Immunizations
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	77.1%	69.5%	66.1%	85.9%	73.7%	65.1%	49.1%	42.9%
2	73.4%	66.6%	63.0%	78.0%	65.6%	59.1%	53.0%	38.6%
3	65.1%	57.4%	49.9%	75.1%	67.3%	49.8%	35.9%	35.4%
4	69.8%	62.5%	61.7%	73.0%	64.0%	53.3%	45.4%	42.4%
5	71.0%	64.4%	63.0%	88.6%	77.7%	59.2%	46.5%	45.6%
6	67.4%	57.7%	57.6%	78.4%	65.1%	44.4%	37.2%	34.3%
7	60.1%	53.2%	52.4%	71.8%	63.3%	49.1%	30.8%	34.8%
8	72.3%	61.8%	58.8%	85.7%	76.7%	57.7%	34.1%	31.7%
9	67.2%	56.4%	53.9%	75.4%	64.7%	45.1%	40.6%	37.1%
10	67.5%	59.4%	61.1%	81.8%	58.1%	42.0%	38.0%	29.4%
11	62.2%	54.2%	57.0%	72.0%	66.0%	51.8%	42.7%	37.1%
12	66.1%	57.5%	54.0%	83.3%	65.9%	50.8%	45.3%	38.9%
15	68.5%	64.0%	61.4%	77.6%	69.3%	50.8%	38.7%	39.7%
16	64.4%	57.1%	58.5%	72.5%	69.1%	51.4%	40.5%	42.6%
17	75.4%	68.3%	65.7%	82.4%	75.1%	57.3%	47.0%	48.1%
18	81.1%	72.6%	70.6%	83.8%	77.7%	73.6%	50.0%	52.6%
19	72.4%	68.3%	66.0%	75.3%	71.4%	66.6%	47.7%	47.5%
20	78.2%	71.4%	69.7%	82.0%	77.1%	60.5%	52.7%	51.4%
21	82.0%	73.0%	74.8%	87.2%	83.6%	63.9%	51.5%	48.0%
22	86.8%	80.7%	80.3%	88.7%	87.3%	63.3%	61.6%	60.0%
23	74.8%	71.0%	69.1%	67.5%	74.1%	68.9%	59.9%	51.3%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	71.8%	61.6%	59.2%	80.5%	69.2%	59.3%	52.4%	38.6%
2	69.8%	62.2%	58.7%	74.4%	64.2%	57.7%	54.2%	40.1%
3	51.2%	40.4%	35.8%	71.8%	52.2%	33.0%	33.4%	24.0%
4	59.7%	49.7%	46.1%	64.1%	52.3%	47.3%	40.2%	31.8%
5	63.9%	55.0%	56.5%	88.1%	70.6%	59.7%	39.2%	35.1%
6	61.1%	48.3%	47.4%	66.5%	54.5%	31.3%	36.6%	29.7%
7	55.8%	46.4%	46.0%	66.8%	57.8%	42.3%	33.9%	31.7%
8	63.4%	50.6%	48.3%	78.2%	68.3%	47.5%	29.9%	26.8%
9	60.0%	49.2%	45.3%	69.9%	56.1%	44.8%	43.2%	31.2%
10	52.8%	43.9%	43.3%	73.5%	45.6%	26.0%	33.0%	21.2%
11	56.5%	48.4%	48.4%	66.1%	60.3%	45.1%	41.4%	33.0%
12	57.6%	48.8%	44.9%	70.3%	58.0%	45.9%	44.4%	32.5%
15	62.2%	55.0%	53.8%	72.5%	63.0%	45.1%	43.1%	40.3%
16	60.5%	51.4%	50.9%	69.3%	64.7%	49.0%	44.4%	36.4%
17	64.7%	55.0%	53.6%	75.6%	66.8%	50.1%	40.6%	39.2%
18	70.3%	59.7%	57.0%	75.1%	68.5%	63.3%	46.1%	47.5%
19	60.5%	53.5%	51.2%	65.2%	58.8%	46.2%	42.6%	33.9%
20	67.0%	56.2%	53.1%	74.9%	65.0%	43.6%	41.9%	34.3%
21	74.3%	63.1%	63.9%	82.2%	74.3%	54.3%	48.0%	39.1%
22	74.6%	63.7%	62.6%	82.7%	75.1%	47.8%	59.2%	39.4%
13	71.8%	63.9%	65.4%	72.9%	70.7%	64.1%	56.4%	57.7%
14	64.3%	59.3%	55.6%	47.0%	63.6%	47.5%	50.9%	34.7%

Service Type: Immunizations
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	81.5%	62.2%	60.8%	89.3%	74.6%	63.1%	49.1%	33.2%
2	81.2%	66.0%	58.9%	78.1%	68.5%	52.2%	46.6%	49.8%
3	67.8%	60.5%	59.1%	83.3%	84.3%	45.5%	47.0%	35.1%
4	80.0%	72.7%	63.5%	74.2%	74.1%	48.8%	59.9%	59.8%
5	74.2%	49.6%	60.7%	92.1%	79.8%	53.2%	36.8%	39.2%
6	64.8%	55.6%	61.0%	77.1%	75.0%	43.1%	31.5%	27.4%
7	65.8%	43.1%	56.0%	79.3%	82.5%	50.3%	32.2%	34.1%
8	88.2%	60.4%	59.8%	86.7%	74.9%	56.1%	45.1%	53.5%
9	75.6%	59.7%	46.6%	85.5%	66.0%	39.1%	36.6%	36.9%
10	73.3%	63.7%	61.7%	86.1%	59.9%	48.1%	39.3%	26.9%
11	68.1%	55.4%	60.7%	78.0%	83.4%	64.7%	52.7%	44.3%
12	79.0%	64.0%	64.2%	91.2%	68.6%	61.6%	58.9%	48.9%
15	72.2%	66.8%	65.2%	82.5%	71.1%	46.2%	60.5%	47.1%
16	57.5%	76.0%	61.0%	75.7%	82.2%	41.0%	53.8%	47.9%
17	87.5%	71.1%	65.0%	93.9%	76.9%	54.9%	48.7%	41.9%
18	93.2%	77.2%	52.7%	86.3%	95.7%	67.3%	61.6%	49.0%
19	80.4%	63.4%	74.9%	84.4%	78.5%	66.8%	62.1%	63.4%
20	81.4%	74.4%	67.0%	94.1%	78.0%	47.3%	49.0%	56.4%
21	91.9%	79.1%	79.4%	82.0%	84.6%	52.4%	60.6%	54.8%
22	86.2%	84.8%	81.1%	94.8%	96.7%	69.1%	64.4%	66.6%
23	77.4%	81.1%	74.2%	91.4%	70.7%	67.8%	55.8%	51.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	68.6%	58.8%	57.0%	80.9%	80.4%	64.0%	52.5%	32.7%
2	66.4%	67.7%	55.8%	75.6%	67.8%	37.6%	54.0%	46.9%
3	60.7%	36.0%	39.3%	65.4%	59.1%	26.8%	34.3%	26.8%
4	52.0%	47.8%	54.5%	61.8%	55.8%	33.4%	44.6%	39.5%
5	66.1%	47.3%	46.8%	79.9%	68.4%	38.6%	36.5%	30.2%
6	60.8%	45.3%	49.0%	68.5%	50.5%	42.3%	36.7%	27.9%
7	62.3%	43.2%	45.9%	71.8%	67.2%	37.9%	41.4%	28.3%
8	67.9%	57.1%	58.2%	79.4%	69.9%	58.7%	41.1%	32.4%
9	69.8%	58.0%	48.3%	63.3%	46.7%	49.3%	38.4%	32.9%
10	59.8%	51.7%	40.7%	74.9%	61.6%	29.0%	35.2%	22.6%
11	63.4%	54.2%	42.9%	54.0%	70.5%	45.8%	40.7%	30.1%
12	62.0%	49.3%	44.4%	69.3%	68.6%	51.6%	43.7%	26.1%
15	57.2%	55.4%	51.3%	74.8%	69.6%	36.9%	39.1%	38.0%
16	63.4%	47.2%	52.8%	76.2%	67.1%	55.9%	49.0%	31.5%
17	66.2%	56.1%	43.3%	81.8%	70.6%	65.7%	41.9%	25.4%
18	67.5%	63.2%	43.8%	77.3%	64.5%	59.1%	40.7%	52.8%
19	60.0%	43.7%	42.0%	69.4%	59.6%	55.4%	37.5%	32.8%
20	56.5%	45.5%	37.6%	82.1%	61.3%	38.0%	34.8%	32.5%
21	66.1%	62.4%	65.7%	88.4%	78.0%	38.0%	48.9%	53.7%
22	83.5%	68.9%	52.6%	87.7%	84.5%	51.5%	66.0%	40.9%
13	73.5%	68.7%	49.4%	75.0%	64.5%	64.5%	47.7%	55.1%
14	62.2%	59.3%	58.6%	49.6%	64.4%	44.0%	45.0%	40.0%

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Exhibit III-3-1t
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Immunizations
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	36.0%	31.8%	33.7%	46.2%	49.2%	23.1%	33.3%	31.8%
2	23.6%	25.1%	25.9%	37.9%	38.9%	19.6%	23.4%	21.2%
3	25.8%	21.8%	21.1%	47.9%	37.3%	20.0%	18.2%	19.7%
4	33.4%	32.1%	32.3%	42.1%	45.8%	24.5%	37.2%	33.1%
5	29.1%	24.6%	26.4%	72.5%	50.0%	22.4%	14.4%	26.7%
6	26.6%	22.5%	24.9%	41.3%	40.6%	19.3%	16.1%	17.5%
7	28.3%	24.5%	25.4%	41.3%	40.0%	25.8%	18.7%	21.8%
8	35.1%	36.9%	33.3%	62.6%	58.5%	30.5%	23.5%	23.8%
9	25.8%	26.8%	26.0%	43.6%	44.3%	24.0%	24.1%	26.5%
10	26.0%	28.4%	29.7%	59.9%	43.6%	30.9%	24.4%	23.9%
11	21.5%	23.4%	23.6%	40.5%	39.0%	24.0%	23.3%	24.8%
12	27.9%	24.3%	24.5%	51.1%	38.8%	23.5%	21.9%	23.5%
15	30.8%	32.7%	33.9%	47.7%	45.9%	30.6%	25.8%	29.7%
16	30.5%	28.6%	29.9%	45.1%	47.4%	18.1%	27.7%	29.6%
17	34.6%	28.3%	28.3%	55.9%	52.0%	23.4%	24.7%	30.6%
18	41.3%	41.6%	41.8%	56.6%	59.9%	32.8%	33.5%	36.1%
19	36.6%	31.1%	34.1%	51.6%	48.3%	23.9%	28.0%	28.1%
20	36.8%	38.4%	38.4%	58.3%	55.9%	34.3%	34.4%	35.5%
21	50.5%	45.6%	46.3%	61.2%	58.4%	29.3%	33.6%	29.9%
22	54.9%	50.3%	52.1%	77.3%	66.2%	44.4%	37.2%	38.1%
23	33.9%	33.1%	32.9%	35.5%	43.7%	26.2%	32.5%	29.9%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	54.5%	56.9%	54.5%	59.7%	61.6%	51.8%	38.2%	39.7%
2	52.1%	61.9%	62.9%	76.1%	69.3%	60.7%	58.7%	55.0%
3	38.1%	46.0%	38.7%	40.4%	42.3%	34.9%	27.2%	29.9%
4	58.8%	43.5%	45.4%	52.7%	49.2%	45.0%	45.4%	45.7%
5	57.0%	55.6%	44.1%	58.1%	57.8%	46.3%	36.9%	42.7%
6	63.1%	55.2%	55.8%	69.3%	62.2%	55.9%	33.3%	32.7%
7	54.8%	59.4%	59.6%	64.2%	65.6%	55.3%	37.7%	41.6%
8	50.9%	54.4%	47.5%	60.9%	65.4%	43.0%	30.0%	36.2%
9	31.0%	40.1%	39.4%	44.8%	44.8%	40.1%	18.6%	31.6%
10	48.1%	43.6%	43.2%	59.6%	55.4%	42.1%	25.1%	20.8%
11	32.2%	46.4%	45.1%	57.7%	57.0%	39.6%	47.4%	47.8%
12	59.8%	51.4%	51.3%	67.3%	57.4%	55.9%	44.4%	41.4%
15	53.1%	56.9%	59.9%	71.2%	64.4%	63.7%	46.6%	51.7%
16	55.7%	58.6%	59.1%	69.5%	68.5%	54.6%	30.4%	37.6%
17	64.8%	61.4%	62.5%	74.9%	75.0%	65.4%	47.0%	53.0%
18	24.7%	37.0%	35.1%	57.3%	52.2%	23.2%	30.9%	42.3%
19	24.1%	26.0%	27.9%	35.1%	37.4%	25.8%	16.5%	33.2%
20	44.4%	38.7%	46.1%	56.4%	58.6%	36.6%	36.8%	39.8%
21	35.3%	28.1%	31.8%	47.7%	49.6%	40.7%	34.6%	40.0%
22	56.1%	56.9%	50.3%	65.0%	63.8%	44.3%	23.6%	37.4%
13	52.3%	46.3%	56.3%	67.1%	57.7%	44.3%	47.7%	52.5%
14	23.1%	31.2%	27.8%	27.0%	40.4%	27.9%	28.0%	33.6%

Service Type: Immunizations
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	37.4%	27.5%	28.2%	71.9%	75.8%	29.7%	35.1%	28.2%
2	27.1%	28.2%	34.7%	52.6%	47.9%	16.0%	20.4%	14.3%
3	27.9%	20.0%	22.0%	43.9%	51.0%	23.8%	21.4%	22.5%
4	44.9%	28.4%	28.2%	43.6%	56.7%	26.3%	24.1%	43.9%
5	26.8%	14.6%	30.0%	81.8%	68.1%	20.1%	15.8%	38.7%
6	30.3%	18.7%	28.3%	58.0%	70.6%	19.8%	17.7%	16.5%
7	38.4%	34.8%	32.5%	70.6%	69.9%	40.7%	19.0%	40.0%
8	53.2%	52.9%	42.0%	69.2%	66.4%	38.1%	25.3%	29.6%
9	27.5%	28.4%	26.3%	52.6%	66.4%	16.9%	34.8%	29.5%
10	29.5%	41.8%	46.0%	73.9%	41.3%	17.8%	24.9%	26.6%
11	17.3%	23.5%	24.6%	62.8%	46.9%	28.1%	29.0%	30.0%
12	25.2%	17.1%	25.1%	74.5%	47.6%	24.5%	24.3%	19.3%
15	41.1%	33.4%	57.0%	49.8%	57.5%	35.9%	22.8%	29.9%
16	40.3%	38.3%	24.3%	55.0%	51.9%	19.0%	35.0%	40.0%
17	43.2%	37.1%	37.5%	67.4%	67.1%	18.6%	22.7%	39.3%
18	56.3%	61.1%	50.2%	75.3%	77.2%	40.3%	30.9%	45.0%
19	42.0%	28.3%	34.4%	71.7%	59.5%	24.0%	23.3%	37.3%
20	38.6%	55.3%	50.4%	82.9%	55.2%	22.1%	23.6%	34.3%
21	61.4%	55.4%	44.5%	74.0%	70.1%	38.5%	39.9%	29.8%
22	62.5%	52.0%	61.3%	79.9%	83.8%	38.8%	47.5%	49.0%
23	46.1%	35.4%	32.0%	43.8%	49.0%	18.2%	24.4%	35.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	65.8%	76.2%	69.3%	72.5%	74.7%	63.3%	45.5%	51.3%
2	55.0%	64.2%	68.7%	66.6%	76.9%	58.4%	58.9%	50.6%
3	51.2%	54.7%	58.8%	48.9%	56.2%	44.3%	40.2%	38.6%
4	57.4%	27.9%	42.5%	42.0%	52.6%	30.0%	14.5%	18.8%
5	71.8%	80.2%	60.6%	67.2%	71.9%	65.2%	41.6%	52.8%
6	82.6%	74.7%	73.0%	79.2%	76.3%	74.8%	55.3%	49.5%
7	37.4%	44.5%	37.8%	43.7%	48.0%	28.7%	16.3%	25.7%
8	71.2%	76.9%	68.8%	68.7%	82.4%	66.9%	50.9%	50.2%
9	53.7%	65.6%	73.0%	60.1%	66.6%	65.1%	44.6%	53.6%
10	64.7%	58.4%	57.1%	63.8%	76.2%	53.7%	37.5%	38.1%
11	40.9%	75.7%	66.8%	66.5%	79.1%	46.9%	63.7%	60.5%
12	58.1%	53.9%	52.2%	58.0%	60.1%	64.6%	42.4%	36.2%
15	67.3%	76.4%	79.6%	79.9%	80.6%	78.5%	50.3%	48.9%
16	37.0%	47.8%	51.2%	59.1%	63.0%	43.4%	45.4%	45.3%
17	77.0%	71.1%	70.8%	86.6%	84.1%	76.0%	53.5%	60.7%
18	39.2%	45.9%	51.7%	61.2%	62.9%	41.7%	47.1%	51.8%
19	53.7%	52.2%	53.3%	57.2%	62.2%	47.8%	32.8%	35.3%
20	56.0%	42.9%	45.2%	62.0%	63.5%	41.5%	34.7%	39.4%
21	59.1%	51.1%	58.5%	64.7%	72.8%	72.1%	42.4%	47.6%
22	79.6%	78.9%	80.2%	80.3%	84.6%	70.7%	42.3%	51.5%
13	68.9%	71.3%	74.7%	71.1%	63.2%	46.0%	50.7%	58.2%
14	68.1%	71.5%	65.6%	55.6%	68.7%	61.3%	38.5%	43.9%

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Exhibit III-3-1u
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Other Procs
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	61.3%	52.1%	49.3%	59.1%	55.0%	38.7%	34.4%	23.9%
2	58.7%	54.2%	49.9%	64.5%	55.1%	49.1%	32.8%	26.6%
3	46.0%	40.3%	35.2%	53.5%	50.6%	32.0%	23.5%	20.2%
4	55.0%	46.9%	44.8%	54.4%	50.6%	42.7%	27.3%	22.6%
5	60.1%	53.2%	52.4%	70.0%	63.4%	46.1%	34.7%	27.0%
6	52.7%	42.4%	41.5%	62.7%	47.8%	20.5%	20.6%	14.6%
7	52.4%	45.4%	43.7%	58.5%	55.3%	33.4%	25.5%	25.1%
8	55.7%	45.2%	43.0%	65.4%	55.4%	37.3%	20.6%	20.6%
9	55.5%	44.9%	44.4%	60.6%	55.0%	33.5%	28.0%	26.0%
10	55.8%	48.6%	47.1%	54.1%	46.4%	36.9%	22.5%	18.0%
11	50.6%	43.2%	43.3%	48.1%	49.8%	38.4%	22.4%	19.1%
12	61.1%	52.0%	48.7%	59.3%	59.2%	45.1%	35.9%	28.5%
15	59.8%	52.6%	51.9%	58.1%	60.5%	42.3%	30.8%	29.2%
16	55.7%	48.6%	48.2%	61.4%	59.3%	35.9%	29.0%	29.2%
17	60.2%	50.7%	49.1%	53.2%	53.7%	38.0%	27.5%	23.8%
18	67.1%	58.2%	55.9%	64.0%	65.1%	49.4%	29.5%	30.1%
19	70.4%	63.4%	62.6%	64.5%	70.8%	50.5%	42.9%	42.7%
20	71.2%	61.0%	58.7%	65.9%	71.2%	44.7%	36.7%	33.5%
21	71.3%	62.0%	60.0%	64.3%	65.9%	41.9%	42.5%	27.9%
22	72.1%	65.0%	64.4%	63.0%	69.6%	56.4%	39.9%	35.6%
23	60.6%	54.2%	51.3%	56.2%	61.1%	42.4%	34.1%	26.0%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	60.9%	50.9%	47.0%	60.1%	54.8%	43.7%	36.5%	22.7%
2	66.4%	54.4%	51.3%	71.9%	56.9%	49.1%	43.3%	26.7%
3	50.8%	39.2%	34.3%	61.8%	49.1%	32.5%	27.8%	19.9%
4	55.8%	45.7%	41.1%	51.6%	46.6%	38.6%	33.2%	23.1%
5	60.4%	52.5%	50.6%	73.4%	60.9%	46.2%	38.3%	25.1%
6	56.2%	41.9%	42.7%	57.0%	45.0%	23.0%	28.4%	16.8%
7	56.2%	46.9%	46.0%	63.5%	55.2%	39.7%	35.3%	27.4%
8	56.5%	44.5%	41.2%	66.7%	52.3%	36.2%	24.3%	20.9%
9	57.7%	45.0%	42.2%	60.6%	53.8%	34.2%	37.6%	25.0%
10	52.9%	43.9%	42.6%	57.7%	42.5%	26.0%	28.2%	15.2%
11	53.1%	44.3%	41.6%	53.0%	49.6%	28.5%	28.9%	19.6%
12	62.3%	51.6%	46.8%	63.1%	58.2%	47.2%	46.2%	30.6%
15	62.9%	55.0%	54.2%	63.5%	64.3%	49.3%	40.4%	36.7%
16	58.8%	48.7%	47.5%	62.8%	59.2%	33.1%	33.4%	27.0%
17	59.5%	48.5%	46.8%	54.6%	54.2%	30.1%	29.2%	21.5%
18	66.0%	52.8%	51.6%	65.3%	63.2%	45.2%	34.5%	29.5%
19	68.0%	59.9%	59.7%	65.8%	68.4%	44.9%	50.7%	41.7%
20	69.5%	58.7%	55.3%	66.4%	67.4%	44.2%	39.5%	28.8%
21	69.9%	57.7%	54.8%	64.8%	63.6%	44.0%	38.1%	26.9%
22	64.5%	52.6%	50.4%	58.6%	59.6%	38.5%	35.9%	26.1%
13	61.3%	48.6%	48.4%	65.0%	61.3%	37.8%	36.1%	28.4%
14	61.1%	53.3%	52.3%	48.0%	60.7%	32.3%	44.6%	25.1%

Service Type: Other Procs
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	64.7%	46.5%	45.3%	63.4%	55.7%	36.9%	34.4%	18.5%
2	64.9%	53.7%	46.6%	64.6%	57.6%	43.4%	28.8%	34.3%
3	47.9%	42.5%	41.7%	59.4%	63.5%	29.2%	30.7%	20.0%
4	63.0%	57.6%	46.0%	55.3%	58.6%	39.0%	37.3%	32.7%
5	62.8%	41.0%	50.4%	74.8%	65.1%	41.4%	27.4%	23.2%
6	50.8%	40.8%	43.9%	61.8%	55.2%	19.9%	17.5%	11.6%
7	57.4%	36.8%	46.8%	66.2%	73.9%	34.2%	26.7%	24.6%
8	68.0%	44.2%	43.7%	66.5%	54.1%	36.2%	27.3%	34.7%
9	62.5%	47.5%	38.4%	70.5%	56.1%	29.0%	25.2%	25.9%
10	60.6%	52.2%	47.6%	57.3%	47.9%	42.3%	23.2%	16.4%
11	55.4%	44.2%	46.1%	52.1%	62.9%	48.1%	27.7%	22.8%
12	73.0%	57.8%	57.9%	64.9%	61.6%	54.8%	46.7%	35.8%
15	63.1%	54.9%	55.2%	61.7%	62.0%	38.5%	48.1%	34.6%
16	49.7%	64.7%	50.3%	64.2%	71.5%	28.6%	38.6%	32.9%
17	74.6%	52.8%	48.6%	73.5%	55.1%	36.4%	28.5%	20.7%
18	86.1%	62.5%	41.7%	65.8%	84.0%	42.8%	36.4%	28.1%
19	78.2%	58.9%	71.6%	72.8%	77.8%	50.8%	55.8%	56.9%
20	74.0%	64.0%	56.5%	77.1%	72.1%	34.9%	34.2%	36.8%
21	87.1%	68.5%	65.4%	57.2%	67.3%	34.3%	50.0%	32.0%
22	71.3%	71.6%	65.4%	78.3%	89.4%	63.3%	41.8%	41.3%
23	62.7%	63.9%	55.1%	76.2%	58.3%	41.3%	31.8%	25.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	58.2%	48.5%	45.2%	60.5%	64.0%	47.2%	36.6%	19.2%
2	63.2%	59.3%	48.8%	73.0%	60.1%	32.0%	43.1%	31.2%
3	60.3%	35.0%	37.6%	56.3%	55.6%	26.4%	28.7%	22.2%
4	48.5%	43.9%	48.6%	49.8%	49.7%	27.2%	36.8%	28.7%
5	62.4%	45.2%	41.9%	66.2%	59.0%	29.8%	35.7%	21.7%
6	55.9%	39.3%	44.2%	58.6%	41.7%	31.2%	28.4%	15.8%
7	62.7%	43.6%	45.9%	68.2%	64.2%	35.5%	43.0%	24.5%
8	60.5%	50.2%	49.6%	67.8%	53.7%	44.7%	33.3%	25.2%
9	67.1%	53.0%	45.0%	54.9%	44.8%	37.7%	33.4%	26.3%
10	59.8%	51.7%	40.1%	58.7%	57.5%	29.0%	30.0%	16.2%
11	59.6%	49.6%	36.9%	43.2%	57.9%	29.0%	28.4%	17.9%
12	67.1%	52.1%	46.3%	62.2%	68.8%	53.0%	45.5%	24.6%
15	57.9%	55.5%	51.6%	65.5%	71.1%	40.3%	36.7%	34.6%
16	61.7%	44.7%	49.2%	69.0%	61.4%	37.8%	36.9%	23.4%
17	60.8%	49.5%	37.8%	59.1%	57.3%	39.6%	30.1%	14.0%
18	63.3%	55.9%	39.7%	67.1%	59.4%	42.0%	30.4%	32.8%
19	67.4%	48.9%	49.0%	70.0%	69.3%	53.8%	44.6%	40.2%
20	58.6%	47.6%	39.2%	72.8%	63.6%	38.5%	32.8%	27.3%
21	62.1%	57.2%	56.4%	71.5%	66.8%	30.7%	38.8%	36.9%
22	72.2%	56.9%	42.3%	63.2%	67.4%	41.4%	41.4%	27.1%
13	62.7%	52.2%	36.6%	66.9%	55.9%	38.0%	30.5%	26.2%
14	59.1%	53.3%	55.2%	50.6%	61.4%	29.9%	39.4%	28.9%

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Exhibit III-3-1v
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Other Procs
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	26.0%	20.5%	21.8%	28.1%	28.2%	12.6%	14.2%	12.3%
2	23.6%	20.0%	18.7%	32.4%	30.2%	11.2%	13.7%	14.1%
3	16.9%	14.9%	13.5%	30.5%	25.2%	10.7%	8.9%	11.8%
4	27.7%	23.1%	21.9%	29.2%	31.6%	17.0%	16.2%	16.2%
5	29.5%	24.0%	23.2%	46.7%	37.2%	15.7%	17.9%	16.8%
6	18.1%	14.1%	15.4%	25.5%	23.2%	11.6%	8.5%	6.4%
7	25.3%	21.4%	22.0%	31.3%	32.9%	20.5%	17.2%	15.2%
8	24.2%	23.5%	21.9%	42.2%	35.9%	13.2%	13.5%	12.4%
9	21.8%	22.8%	21.4%	32.8%	36.5%	17.1%	13.9%	17.8%
10	23.8%	24.1%	24.2%	31.8%	32.3%	14.0%	14.6%	13.1%
11	19.7%	18.0%	18.0%	23.8%	27.3%	14.6%	10.6%	11.6%
12	27.7%	23.3%	24.9%	34.5%	36.3%	20.5%	17.3%	17.6%
15	25.6%	24.1%	25.1%	30.3%	34.1%	19.1%	16.0%	17.5%
16	24.9%	23.1%	24.2%	36.5%	38.1%	12.9%	19.6%	18.9%
17	25.9%	20.6%	20.1%	30.5%	30.3%	10.4%	16.0%	11.4%
18	32.5%	31.0%	31.4%	41.3%	46.9%	20.2%	18.8%	18.4%
19	36.9%	33.2%	34.4%	39.0%	49.5%	24.9%	26.7%	26.7%
20	32.2%	29.1%	28.4%	40.2%	45.1%	23.9%	19.5%	19.4%
21	40.0%	35.3%	31.2%	39.1%	35.0%	13.7%	15.7%	11.0%
22	39.5%	36.4%	38.3%	42.5%	46.9%	19.8%	25.3%	18.3%
23	23.9%	22.6%	19.6%	26.1%	29.9%	12.9%	15.1%	12.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	50.6%	47.7%	51.2%	51.5%	51.4%	52.4%	41.4%	21.2%
2	57.3%	57.9%	62.2%	70.5%	63.3%	57.5%	50.0%	45.1%
3	39.4%	46.5%	39.5%	55.9%	45.4%	45.2%	26.7%	26.9%
4	45.0%	49.7%	46.7%	43.6%	45.9%	55.3%	38.8%	39.3%
5	51.7%	51.9%	59.6%	58.7%	53.9%	52.2%	46.8%	37.9%
6	53.1%	49.6%	53.3%	64.0%	53.5%	50.0%	27.8%	23.2%
7	58.5%	62.5%	61.7%	68.1%	64.1%	61.6%	42.7%	39.7%
8	44.9%	45.0%	43.0%	60.4%	51.5%	45.1%	27.3%	26.7%
9	36.2%	38.9%	35.2%	43.4%	38.9%	27.2%	22.0%	20.6%
10	45.8%	49.7%	48.1%	58.3%	46.6%	42.3%	25.4%	13.4%
11	41.9%	42.3%	42.4%	51.1%	47.3%	38.5%	33.5%	35.1%
12	55.0%	53.9%	55.0%	66.5%	59.9%	53.0%	40.8%	41.2%
15	60.7%	56.9%	51.6%	59.3%	60.7%	60.4%	43.5%	46.2%
16	62.5%	58.4%	58.1%	65.4%	64.1%	48.5%	24.8%	27.6%
17	62.0%	61.1%	60.3%	59.1%	68.0%	68.1%	45.9%	41.6%
18	31.1%	37.4%	35.1%	46.7%	43.8%	18.0%	31.1%	31.5%
19	31.1%	37.7%	37.4%	40.0%	44.7%	47.0%	25.0%	40.7%
20	45.0%	46.3%	50.1%	51.4%	55.5%	43.6%	35.0%	31.3%
21	40.7%	30.5%	31.7%	43.7%	34.9%	29.5%	39.1%	25.8%
22	49.6%	48.1%	47.2%	49.2%	51.8%	39.7%	28.0%	24.8%
13	48.9%	27.1%	37.7%	44.4%	46.7%	50.6%	30.9%	30.4%
14	23.5%	26.1%	23.4%	27.0%	29.4%	26.6%	22.8%	16.6%

Service Type: Other Procs
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	27.0%	17.7%	18.3%	47.5%	48.3%	16.2%	14.9%	10.7%
2	27.1%	22.4%	25.1%	44.9%	37.1%	9.2%	12.0%	9.5%
3	18.3%	13.7%	14.1%	28.0%	34.5%	12.8%	10.5%	13.5%
4	37.3%	20.4%	19.1%	30.2%	40.3%	18.3%	10.5%	24.7%
5	27.3%	14.2%	26.4%	53.1%	50.7%	14.1%	19.6%	24.4%
6	20.6%	11.8%	17.5%	35.9%	42.9%	11.9%	9.3%	6.0%
7	34.4%	30.4%	28.2%	55.5%	57.4%	36.5%	17.5%	27.8%
8	36.8%	33.7%	27.6%	46.6%	41.0%	16.5%	14.5%	15.3%
9	23.2%	24.1%	21.7%	39.5%	54.7%	12.0%	20.1%	19.8%
10	27.0%	35.3%	37.5%	39.7%	30.5%	8.1%	14.9%	14.6%
11	15.9%	18.1%	18.7%	36.9%	32.8%	17.1%	13.3%	14.0%
12	25.0%	16.4%	25.5%	50.2%	44.6%	21.4%	19.2%	14.4%
15	34.1%	24.6%	42.3%	31.6%	42.6%	22.4%	14.2%	17.7%
16	32.9%	31.0%	19.7%	44.5%	41.7%	13.6%	24.8%	25.6%
17	32.3%	27.0%	26.6%	36.8%	39.0%	8.2%	14.8%	14.7%
18	44.2%	48.7%	37.7%	54.9%	60.5%	24.8%	17.4%	23.0%
19	42.3%	30.2%	34.7%	59.0%	60.9%	25.0%	22.2%	35.5%
20	33.8%	41.8%	42.2%	60.9%	44.6%	15.4%	13.4%	18.8%
21	49.7%	43.8%	29.7%	50.9%	42.1%	18.1%	19.1%	11.0%
22	47.8%	38.1%	50.1%	45.1%	74.5%	16.2%	35.1%	25.7%
23	32.5%	24.2%	19.0%	32.2%	33.6%	8.9%	11.3%	14.5%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	60.1%	60.4%	63.9%	60.8%	60.4%	64.1%	49.0%	28.8%
2	61.6%	59.9%	67.8%	62.6%	69.3%	55.7%	50.2%	43.1%
3	52.4%	55.1%	59.9%	59.0%	59.3%	49.9%	39.9%	36.9%
4	34.4%	37.0%	45.1%	28.5%	45.6%	45.0%	10.0%	13.3%
5	67.4%	75.9%	73.4%	67.6%	68.6%	70.9%	50.3%	47.4%
6	69.0%	66.0%	69.5%	74.3%	66.6%	66.1%	49.5%	40.7%
7	47.7%	52.0%	42.1%	51.1%	45.1%	41.6%	19.7%	23.8%
8	61.8%	62.1%	61.2%	68.1%	64.9%	71.2%	48.1%	42.9%
9	61.9%	63.8%	65.6%	58.5%	58.9%	46.3%	49.3%	41.7%
10	60.6%	69.9%	66.3%	62.4%	61.0%	54.1%	37.8%	31.0%
11	64.2%	65.8%	61.0%	56.9%	61.5%	44.8%	49.8%	49.6%
12	49.8%	60.1%	61.2%	57.0%	65.2%	57.1%	38.0%	36.0%
15	75.4%	76.5%	69.3%	69.2%	76.5%	75.0%	45.9%	42.7%
16	51.0%	47.4%	48.7%	51.6%	53.9%	27.3%	38.8%	36.2%
17	70.9%	70.3%	66.2%	60.6%	73.4%	81.4%	52.6%	50.4%
18	46.7%	46.3%	51.7%	51.9%	54.5%	34.5%	47.3%	44.8%
19	64.8%	68.5%	66.2%	62.9%	71.2%	73.8%	39.4%	38.7%
20	56.9%	53.0%	49.4%	55.9%	59.9%	51.5%	33.2%	31.8%
21	65.8%	54.2%	58.2%	60.6%	55.8%	57.7%	45.6%	36.6%
22	73.0%	70.4%	76.4%	67.4%	73.2%	65.4%	47.4%	39.9%
13	64.0%	37.2%	48.3%	44.4%	49.4%	53.7%	30.2%	32.1%
14	68.6%	66.0%	61.1%	55.6%	60.2%	60.1%	35.8%	33.9%

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Exhibit III-3-1w
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Other Visits
Enrollee Type: OldPre
Age Group Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	67.2%	57.9%	54.1%	57.6%	53.1%	41.9%	35.6%	22.1%
2	68.8%	63.1%	56.1%	66.3%	58.2%	47.1%	41.4%	30.2%
3	56.5%	47.1%	42.5%	53.1%	51.1%	39.1%	30.7%	22.5%
4	65.8%	59.1%	56.6%	60.3%	53.6%	47.7%	36.5%	25.0%
5	64.4%	56.8%	56.6%	66.0%	61.3%	48.3%	45.5%	26.9%
6	70.3%	58.0%	56.6%	68.2%	58.1%	31.7%	31.5%	21.5%
7	67.1%	57.8%	54.6%	68.4%	61.2%	43.1%	33.2%	28.8%
8	66.5%	56.2%	54.4%	73.6%	65.2%	46.3%	30.1%	22.8%
9	66.8%	56.2%	54.4%	71.3%	58.5%	38.4%	35.7%	29.4%
10	68.3%	63.6%	58.6%	60.7%	50.6%	32.1%	33.0%	18.0%
11	60.5%	50.5%	51.1%	56.2%	52.9%	40.1%	29.8%	22.2%
12	59.9%	48.0%	46.0%	59.2%	50.7%	40.4%	27.5%	19.4%
15	69.6%	63.7%	61.5%	69.1%	61.0%	38.1%	32.5%	27.3%
16	63.6%	55.0%	52.6%	66.2%	58.0%	35.6%	34.5%	27.3%
17	63.6%	53.2%	50.4%	53.4%	48.9%	36.3%	28.5%	18.1%
18	75.2%	66.5%	64.4%	70.0%	60.4%	46.7%	39.7%	28.0%
19	68.6%	59.4%	59.1%	65.3%	57.1%	36.2%	31.3%	24.6%
20	78.4%	69.4%	66.7%	69.1%	65.4%	39.5%	42.5%	26.4%
21	78.8%	70.3%	68.6%	64.5%	65.8%	48.3%	45.7%	29.6%
22	79.0%	71.4%	72.3%	67.5%	70.3%	55.6%	45.6%	37.2%
23	69.8%	60.1%	59.3%	63.4%	62.3%	44.5%	40.5%	27.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	67.2%	55.7%	51.6%	57.9%	51.0%	41.1%	39.0%	20.2%
2	70.7%	60.4%	55.5%	66.7%	56.8%	45.0%	44.1%	27.9%
3	60.5%	48.4%	44.7%	58.4%	54.3%	36.5%	39.6%	27.6%
4	69.0%	59.7%	55.7%	60.5%	51.6%	43.8%	43.9%	26.8%
5	69.4%	62.3%	63.5%	76.5%	64.4%	61.6%	49.3%	29.4%
6	73.2%	58.9%	57.1%	67.8%	54.9%	36.7%	37.9%	22.1%
7	70.2%	58.7%	57.1%	73.0%	62.1%	40.5%	43.7%	31.2%
8	68.1%	56.5%	52.6%	73.8%	60.2%	47.8%	31.7%	21.5%
9	72.0%	60.0%	55.8%	73.4%	61.7%	41.6%	47.2%	32.8%
10	70.3%	62.3%	57.2%	65.0%	48.4%	26.6%	41.7%	20.5%
11	65.1%	55.7%	55.8%	62.5%	58.4%	43.0%	44.0%	28.8%
12	67.3%	56.2%	51.2%	67.4%	57.0%	45.7%	43.6%	25.7%
15	73.5%	64.0%	63.4%	69.8%	64.3%	44.3%	41.2%	34.0%
16	69.2%	57.8%	54.8%	67.6%	59.8%	38.7%	44.4%	29.3%
17	67.7%	56.6%	51.8%	59.4%	54.4%	35.2%	34.4%	22.0%
18	75.6%	64.0%	62.2%	72.9%	62.8%	42.6%	42.0%	30.6%
19	70.6%	61.0%	60.2%	68.7%	57.9%	38.0%	39.1%	26.2%
20	77.8%	67.0%	62.5%	68.9%	61.3%	46.1%	42.1%	27.2%
21	77.8%	67.2%	66.5%	65.0%	66.8%	48.9%	47.6%	31.5%
22	75.6%	62.6%	61.4%	67.9%	65.3%	44.6%	44.9%	31.6%
13	74.2%	61.8%	60.1%	71.0%	65.8%	47.4%	41.8%	31.1%
14	70.3%	58.9%	57.1%	66.9%	56.5%	45.0%	42.3%	19.2%

Service Type: Other Visits
Enrollee Type: OldPre
Age Group Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	71.0%	51.8%	49.7%	61.8%	53.8%	40.0%	35.6%	17.1%
2	76.2%	62.5%	52.4%	66.4%	60.8%	41.6%	36.4%	39.0%
3	58.8%	49.6%	50.2%	58.9%	64.2%	35.7%	40.2%	22.3%
4	75.5%	70.3%	58.2%	61.4%	62.0%	43.6%	49.9%	36.3%
5	67.4%	43.8%	54.4%	70.5%	63.0%	43.4%	36.0%	23.1%
6	67.6%	55.9%	59.8%	67.1%	67.1%	30.7%	26.7%	17.2%
7	73.6%	46.8%	58.5%	76.9%	81.6%	44.2%	34.7%	28.3%
8	81.1%	54.9%	55.3%	74.8%	63.7%	44.9%	39.8%	38.4%
9	75.1%	59.4%	47.0%	82.9%	59.7%	33.3%	32.2%	29.2%
10	74.1%	68.2%	59.3%	64.3%	52.2%	36.8%	34.1%	16.4%
11	66.3%	51.6%	54.4%	60.9%	66.9%	50.3%	36.8%	26.5%
12	71.5%	53.4%	54.6%	64.8%	52.8%	49.0%	35.7%	24.4%
15	73.4%	66.6%	65.4%	73.4%	62.6%	34.6%	50.7%	32.4%
16	56.7%	73.3%	54.9%	69.1%	70.0%	28.3%	45.9%	30.7%
17	78.8%	55.3%	49.9%	73.8%	50.1%	34.8%	29.5%	15.7%
18	91.1%	71.4%	48.1%	72.0%	78.1%	40.4%	48.9%	26.1%
19	76.2%	55.1%	67.7%	73.6%	62.8%	36.4%	40.7%	32.7%
20	81.6%	72.6%	64.2%	80.9%	66.2%	30.9%	39.5%	29.0%
21	90.5%	76.9%	74.3%	57.4%	67.1%	39.6%	53.9%	34.0%
22	78.2%	77.5%	73.3%	83.9%	90.2%	62.6%	47.7%	43.1%
23	72.1%	70.8%	63.6%	86.1%	59.5%	43.3%	37.7%	27.7%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	64.2%	53.1%	49.6%	58.3%	59.6%	44.4%	39.1%	17.1%
2	67.2%	65.8%	52.8%	67.8%	60.0%	29.3%	43.9%	32.6%
3	71.7%	43.1%	49.0%	53.2%	61.5%	29.6%	40.8%	30.9%
4	60.5%	57.7%	64.6%	58.4%	55.0%	30.9%	48.4%	33.3%
5	71.8%	53.6%	52.6%	69.0%	62.4%	39.8%	45.9%	25.4%
6	72.9%	55.2%	59.1%	69.8%	50.8%	49.6%	38.0%	20.8%
7	77.5%	54.7%	56.9%	78.5%	72.3%	36.2%	53.3%	27.9%
8	73.0%	63.6%	63.3%	75.0%	61.7%	59.1%	43.5%	26.0%
9	83.8%	70.7%	59.5%	66.5%	51.4%	45.8%	41.9%	34.6%
10	78.3%	72.1%	53.8%	66.2%	65.4%	29.6%	44.4%	21.9%
11	73.0%	62.5%	49.5%	51.0%	68.3%	43.7%	43.3%	26.3%
12	72.5%	56.8%	50.6%	66.5%	67.4%	51.4%	43.0%	20.6%
15	67.6%	64.5%	60.4%	72.1%	71.1%	36.3%	37.4%	32.1%
16	72.5%	53.1%	56.9%	74.3%	62.1%	44.1%	49.0%	25.4%
17	69.3%	57.7%	41.8%	64.2%	57.5%	46.2%	35.4%	14.2%
18	72.6%	67.7%	47.8%	75.0%	59.1%	39.6%	37.0%	34.0%
19	70.0%	49.8%	49.4%	73.0%	58.7%	45.5%	34.4%	25.3%
20	65.9%	54.3%	44.3%	75.5%	57.8%	40.2%	34.9%	25.8%
21	69.2%	66.6%	68.4%	71.7%	70.2%	34.2%	48.5%	43.2%
22	84.2%	67.6%	51.5%	73.2%	73.9%	48.0%	51.6%	32.8%
13	75.9%	66.5%	45.4%	73.1%	60.0%	47.7%	35.3%	28.8%
14	67.9%	59.0%	60.2%	70.6%	57.2%	41.7%	37.4%	22.1%

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Exhibit III-3-1x
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Other Visits
Enrollee Type: Post
Age Group Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	37.7%	31.8%	32.4%	29.6%	31.2%	21.5%	23.8%	13.6%
2	31.9%	26.8%	26.4%	30.6%	34.2%	16.1%	16.8%	14.6%
3	26.7%	19.5%	19.3%	29.1%	26.6%	13.3%	13.7%	11.8%
4	36.7%	33.2%	33.1%	36.9%	37.2%	22.7%	28.0%	20.5%
5	36.0%	32.5%	32.9%	50.5%	35.6%	23.3%	26.4%	18.4%
6	37.1%	31.5%	31.6%	34.4%	38.0%	20.8%	17.4%	12.5%
7	38.4%	33.4%	32.6%	43.8%	40.2%	20.8%	23.3%	19.5%
8	39.3%	37.6%	35.1%	53.3%	47.2%	24.1%	23.3%	16.3%
9	37.5%	35.3%	33.0%	43.3%	40.5%	20.4%	24.3%	20.4%
10	36.3%	37.4%	36.9%	39.8%	36.0%	21.2%	21.6%	11.9%
11	32.1%	29.0%	29.7%	35.1%	32.8%	22.4%	18.2%	16.0%
12	30.5%	24.1%	23.7%	36.1%	26.7%	14.3%	16.7%	9.8%
15	39.8%	34.6%	34.8%	36.2%	35.1%	21.5%	21.1%	15.4%
16	37.8%	33.3%	34.6%	43.4%	40.6%	15.5%	29.2%	21.6%
17	35.5%	25.6%	24.1%	31.5%	27.4%	9.0%	24.9%	10.4%
18	44.7%	42.9%	42.1%	51.6%	45.6%	24.5%	28.8%	16.6%
19	36.0%	33.0%	32.9%	47.6%	34.2%	11.7%	27.1%	12.5%
20	49.8%	46.5%	42.0%	49.5%	40.4%	25.3%	28.3%	14.3%
21	54.5%	47.9%	45.4%	44.2%	39.1%	16.6%	29.2%	12.7%
22	53.3%	49.2%	48.0%	52.1%	50.0%	23.5%	43.0%	23.4%
23	35.5%	35.3%	33.3%	32.2%	33.8%	15.2%	23.8%	16.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	62.4%	59.7%	62.6%	58.1%	54.3%	55.8%	41.4%	23.4%
2	71.5%	61.5%	66.3%	69.0%	62.5%	59.4%	46.2%	44.2%
3	51.8%	55.7%	50.2%	52.4%	55.1%	54.9%	37.5%	37.4%
4	54.2%	58.3%	58.0%	49.8%	51.4%	49.5%	52.4%	42.4%
5	64.1%	71.1%	69.4%	73.6%	62.4%	68.7%	64.6%	50.0%
6	69.3%	65.1%	66.1%	72.4%	61.9%	57.2%	46.1%	27.5%
7	68.2%	70.2%	70.1%	75.5%	68.1%	66.5%	42.9%	42.2%
8	59.0%	55.4%	55.3%	64.9%	58.9%	50.9%	35.5%	31.3%
9	65.9%	59.0%	54.9%	63.8%	49.7%	51.9%	41.1%	33.9%
10	71.0%	70.9%	67.2%	74.7%	56.4%	59.6%	48.7%	26.6%
11	56.0%	56.2%	58.2%	62.6%	58.9%	58.6%	56.4%	46.8%
12	61.8%	61.4%	58.8%	65.6%	57.6%	57.6%	48.7%	39.8%
15	66.4%	64.8%	65.5%	68.0%	60.5%	63.9%	49.6%	44.6%
16	74.0%	72.5%	66.1%	72.4%	66.1%	61.3%	36.1%	30.4%
17	66.3%	64.7%	64.1%	67.9%	69.7%	73.8%	55.5%	42.3%
18	51.4%	61.6%	53.5%	66.5%	45.1%	31.0%	50.8%	34.3%
19	37.5%	48.2%	42.0%	53.7%	34.7%	31.4%	24.6%	21.2%
20	66.6%	64.7%	64.6%	48.2%	53.9%	51.5%	52.1%	32.3%
21	64.4%	53.9%	51.6%	50.1%	44.9%	40.2%	54.5%	33.7%
22	63.5%	62.4%	61.3%	62.3%	60.6%	55.6%	48.2%	34.3%
13	60.1%	43.3%	53.2%	64.6%	53.4%	59.5%	44.9%	37.2%
14	48.2%	33.1%	39.2%	41.5%	29.3%	22.9%	29.8%	12.2%

Service Type: Other Visits
Enrollee Type: Post
Age Group Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	39.2%	27.5%	27.1%	50.0%	53.5%	27.6%	25.1%	11.9%
2	36.6%	30.1%	35.4%	42.4%	42.0%	13.2%	14.6%	9.8%
3	28.9%	17.9%	20.2%	26.7%	36.4%	15.8%	16.2%	13.5%
4	49.4%	29.3%	28.9%	38.2%	47.4%	24.4%	18.2%	31.2%
5	33.2%	19.3%	37.4%	57.5%	48.5%	20.9%	28.9%	26.6%
6	42.2%	26.2%	36.0%	48.3%	69.3%	21.4%	19.2%	11.8%
7	50.9%	44.4%	41.7%	71.8%	70.2%	36.7%	23.7%	35.7%
8	59.7%	53.9%	44.2%	58.9%	54.0%	30.0%	25.0%	20.2%
9	39.9%	37.3%	33.5%	52.2%	60.7%	14.4%	35.1%	22.7%
10	41.1%	54.9%	56.9%	49.7%	34.0%	12.2%	22.0%	13.2%
11	25.9%	29.2%	31.0%	54.3%	39.4%	26.2%	22.7%	19.4%
12	27.5%	17.0%	24.3%	52.6%	32.7%	15.0%	18.5%	8.1%
15	53.1%	35.3%	58.6%	37.8%	44.0%	25.3%	18.7%	15.5%
16	49.9%	44.5%	28.1%	53.0%	44.4%	16.3%	36.9%	29.2%
17	44.3%	33.6%	31.9%	38.0%	35.4%	7.1%	22.9%	13.4%
18	60.9%	62.0%	50.5%	68.6%	58.8%	30.1%	26.5%	20.7%
19	41.3%	30.0%	33.1%	69.4%	42.2%	11.8%	22.5%	16.6%
20	52.2%	63.7%	53.3%	75.0%	39.9%	16.3%	19.4%	13.8%
21	64.5%	57.3%	43.5%	57.5%	47.0%	21.9%	35.5%	12.7%
22	61.1%	50.9%	58.0%	55.3%	76.0%	19.3%	52.4%	32.9%
23	48.2%	37.7%	32.4%	39.7%	37.9%	10.5%	17.9%	19.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	77.3%	78.9%	81.1%	70.1%	64.5%	69.3%	49.0%	31.5%
2	76.1%	63.8%	73.1%	61.6%	68.3%	57.3%	46.8%	42.5%
3	63.6%	62.3%	72.5%	56.7%	68.5%	56.2%	48.6%	42.8%
4	49.8%	48.9%	60.7%	37.6%	57.4%	36.6%	23.1%	16.0%
5	77.8%	88.5%	80.5%	77.6%	75.6%	83.3%	66.5%	60.9%
6	85.9%	83.7%	84.1%	82.1%	76.0%	76.8%	63.9%	44.7%
7	63.3%	64.1%	56.8%	64.5%	52.9%	51.7%	19.8%	26.3%
8	79.7%	78.5%	78.6%	73.0%	74.5%	79.1%	56.2%	46.4%
9	87.6%	83.4%	88.8%	81.6%	73.1%	80.0%	68.9%	56.1%
10	89.5%	91.5%	89.3%	80.9%	77.8%	84.3%	56.9%	43.6%
11	86.3%	85.4%	85.1%	73.4%	82.3%	80.4%	71.4%	59.6%
12	61.6%	71.8%	70.6%	55.9%	60.4%	68.8%	47.5%	34.5%
15	81.4%	85.4%	84.6%	77.1%	76.3%	78.7%	54.7%	40.9%
16	69.1%	70.3%	67.1%	64.4%	58.0%	61.1%	52.0%	38.8%
17	80.3%	78.7%	73.9%	75.0%	76.0%	90.9%	60.4%	51.0%
18	69.4%	68.0%	70.6%	69.2%	55.9%	52.6%	62.4%	46.6%
19	74.8%	78.7%	72.3%	79.0%	58.8%	54.7%	39.1%	29.9%
20	76.4%	71.3%	64.4%	52.0%	58.0%	62.6%	48.7%	32.7%
21	82.4%	78.4%	79.8%	67.2%	67.4%	71.9%	58.1%	42.7%
22	85.2%	83.0%	88.2%	78.1%	81.5%	82.8%	65.0%	48.6%
13	74.0%	69.7%	72.9%	68.2%	57.9%	64.8%	47.3%	41.6%
14	83.4%	73.6%	77.0%	65.3%	60.1%	57.0%	39.4%	31.3%

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Exhibit III-3-1y
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Pathology
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	76.3%	69.5%	68.1%	74.9%	75.3%	64.3%	61.9%	48.8%
2	78.0%	74.4%	71.7%	79.4%	77.6%	68.1%	60.5%	55.4%
3	62.1%	54.1%	49.4%	69.4%	66.0%	50.4%	38.9%	34.8%
4	71.9%	66.3%	65.8%	70.4%	71.4%	63.8%	53.4%	51.7%
5	70.8%	67.4%	64.9%	82.0%	78.7%	65.8%	44.2%	47.8%
6	74.2%	67.9%	67.2%	76.6%	73.9%	45.0%	44.0%	40.6%
7	68.3%	62.3%	62.5%	71.6%	73.9%	55.0%	41.4%	46.9%
8	72.0%	65.1%	62.4%	77.9%	73.8%	57.8%	39.3%	40.9%
9	75.9%	68.5%	67.8%	75.0%	76.0%	61.6%	51.9%	52.4%
10	72.8%	68.8%	67.2%	68.0%	68.1%	54.8%	47.9%	40.2%
11	68.7%	65.8%	66.9%	64.9%	74.3%	64.8%	49.6%	49.2%
12	73.4%	66.3%	63.2%	70.6%	74.8%	66.9%	53.6%	50.0%
15	77.7%	74.8%	74.0%	74.4%	81.6%	68.6%	53.8%	58.2%
16	70.7%	65.2%	65.1%	72.3%	76.4%	56.3%	45.6%	49.5%
17	76.9%	70.8%	68.6%	72.1%	79.2%	66.8%	50.2%	52.5%
18	81.9%	75.1%	74.2%	77.2%	82.7%	69.2%	56.8%	59.4%
19	79.5%	75.5%	75.7%	75.6%	83.0%	67.6%	55.8%	60.2%
20	80.6%	74.7%	73.2%	76.6%	82.8%	57.2%	55.2%	51.9%
21	79.9%	72.7%	71.5%	73.9%	79.5%	59.5%	53.2%	48.4%
22	78.8%	73.7%	73.0%	72.6%	80.7%	68.5%	53.8%	51.3%
23	78.8%	76.8%	75.2%	71.5%	83.3%	70.8%	65.0%	52.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	73.6%	64.9%	63.0%	71.1%	73.1%	65.7%	60.1%	44.2%
2	77.7%	70.5%	67.9%	79.5%	77.0%	70.9%	61.7%	52.3%
3	62.7%	50.8%	45.3%	71.9%	62.4%	45.6%	40.8%	32.4%
4	70.3%	63.3%	59.8%	68.8%	68.0%	61.1%	53.2%	44.9%
5	71.1%	67.2%	65.4%	83.5%	78.4%	64.5%	53.4%	44.8%
6	74.9%	66.2%	66.0%	74.2%	71.8%	45.1%	47.4%	40.1%
7	69.1%	60.7%	61.4%	71.7%	72.8%	54.4%	49.9%	46.0%
8	70.6%	60.3%	57.2%	76.1%	68.9%	54.0%	39.2%	36.2%
9	76.2%	67.1%	63.8%	74.8%	75.4%	62.3%	60.6%	51.8%
10	70.7%	64.1%	63.6%	69.2%	65.7%	53.0%	57.5%	40.2%
11	70.6%	66.0%	65.8%	66.9%	76.2%	63.0%	59.7%	51.8%
12	73.3%	64.3%	60.9%	72.6%	74.7%	62.5%	60.0%	47.4%
15	77.1%	73.6%	73.1%	75.3%	82.4%	70.5%	63.3%	60.7%
16	73.0%	66.4%	65.9%	71.6%	77.9%	55.1%	54.7%	48.9%
17	75.4%	68.2%	65.7%	71.9%	79.7%	58.9%	53.6%	53.1%
18	79.9%	70.3%	68.9%	76.5%	80.0%	65.2%	56.9%	55.5%
19	77.7%	72.3%	72.5%	72.5%	82.2%	63.2%	64.0%	59.4%
20	79.2%	72.2%	69.1%	75.1%	81.4%	64.2%	57.8%	48.7%
21	77.2%	68.4%	66.6%	70.8%	77.9%	60.5%	48.7%	42.7%
22	71.8%	61.7%	61.0%	65.9%	72.2%	53.8%	49.8%	40.0%
13	78.7%	73.2%	74.0%	80.4%	85.2%	70.3%	67.4%	54.7%
14	76.9%	74.5%	72.9%	59.7%	81.9%	63.0%	66.7%	44.3%

Service Type: Pathology
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	80.6%	62.1%	63.0%	80.3%	76.3%	62.3%	61.9%	37.8%
2	86.3%	73.8%	67.0%	79.5%	80.7%	60.2%	53.1%	67.9%
3	64.7%	57.0%	58.5%	77.0%	82.8%	46.0%	51.0%	34.5%
4	82.4%	75.5%	67.7%	71.6%	79.8%	60.3%	65.8%	66.3%
5	74.1%	52.0%	62.7%	87.6%	80.8%	60.6%	35.0%	41.1%
6	71.4%	65.4%	70.9%	75.4%	81.3%	43.6%	37.2%	32.5%
7	74.8%	50.5%	66.2%	79.2%	87.6%	56.3%	43.3%	46.1%
8	87.8%	63.7%	63.5%	79.1%	72.1%	56.2%	52.1%	69.0%
9	84.5%	72.5%	59.1%	85.2%	77.2%	53.5%	46.8%	52.1%
10	79.0%	73.8%	67.9%	72.1%	70.3%	62.0%	49.4%	36.8%
11	75.2%	67.3%	71.3%	70.4%	89.2%	74.2%	60.2%	58.8%
12	87.7%	73.8%	75.1%	77.2%	77.9%	74.2%	69.6%	62.9%
15	81.9%	77.8%	78.7%	79.1%	82.7%	62.4%	75.4%	66.9%
16	63.1%	86.8%	68.0%	75.5%	86.4%	44.8%	60.6%	55.7%
17	88.3%	73.7%	67.9%	90.4%	81.1%	64.0%	52.0%	45.7%
18	93.5%	79.3%	55.4%	79.4%	96.7%	61.8%	69.9%	55.4%
19	88.3%	70.0%	82.0%	84.6%	87.9%	67.9%	70.9%	72.6%
20	83.7%	77.3%	70.4%	89.7%	83.5%	44.8%	51.4%	57.0%
21	91.0%	78.8%	76.7%	65.9%	80.7%	48.7%	62.6%	55.1%
22	77.9%	79.4%	74.0%	87.2%	95.0%	73.5%	56.3%	59.3%
23	81.3%	84.9%	80.7%	92.5%	79.5%	69.7%	60.8%	52.3%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	70.3%	62.2%	60.9%	71.5%	82.9%	69.6%	60.3%	38.9%
2	74.7%	75.2%	65.5%	80.8%	79.7%	53.3%	61.5%	57.8%
3	74.3%	45.3%	49.7%	65.5%	70.4%	37.0%	42.0%	36.3%
4	62.1%	61.4%	67.9%	66.4%	70.9%	49.0%	57.0%	51.2%
5	73.5%	58.1%	54.2%	75.2%	76.4%	41.7%	50.0%	39.6%
6	74.6%	62.7%	67.9%	76.3%	67.6%	59.2%	47.4%	38.2%
7	76.7%	56.9%	61.3%	77.1%	82.8%	49.7%	59.6%	41.7%
8	75.6%	67.7%	68.5%	77.3%	70.5%	65.4%	53.2%	43.0%
9	86.5%	76.8%	67.2%	67.7%	66.1%	66.6%	55.5%	53.9%
10	78.6%	73.5%	60.7%	70.5%	81.7%	56.9%	59.9%	41.9%
11	77.7%	72.2%	60.3%	54.6%	84.6%	63.6%	59.1%	49.0%
12	78.7%	64.9%	60.3%	71.6%	85.0%	68.3%	59.3%	40.1%
15	71.8%	74.1%	70.5%	77.7%	88.5%	61.7%	59.0%	58.5%
16	76.0%	61.9%	67.9%	78.7%	80.0%	61.3%	59.2%	43.8%
17	77.0%	69.5%	54.0%	77.8%	83.1%	74.9%	55.0%	39.5%
18	77.2%	73.9%	54.8%	78.7%	76.3%	61.2%	51.3%	60.5%
19	77.1%	61.9%	62.2%	77.1%	83.0%	72.9%	58.6%	58.0%
20	68.1%	60.6%	51.8%	82.3%	78.1%	57.6%	50.2%	46.7%
21	68.6%	67.7%	68.5%	78.2%	81.2%	44.1%	49.7%	57.8%
22	80.3%	66.6%	51.2%	71.1%	81.7%	57.9%	57.3%	41.5%
13	80.2%	77.4%	61.1%	82.7%	80.5%	70.6%	60.3%	51.9%
14	74.6%	74.6%	76.0%	63.0%	82.6%	60.2%	61.1%	48.9%

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Exhibit III-3-1z
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Pathology
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	42.4%	35.7%	38.5%	44.0%	56.8%	33.6%	34.1%	40.0%
2	37.5%	37.3%	37.8%	54.1%	55.5%	32.3%	32.7%	34.1%
3	27.7%	23.7%	22.0%	43.0%	38.2%	19.6%	17.4%	21.0%
4	39.2%	39.4%	39.9%	49.1%	57.7%	33.3%	39.0%	41.5%
5	31.3%	30.5%	32.4%	64.9%	55.5%	20.9%	23.4%	32.0%
6	34.7%	31.2%	33.0%	42.9%	53.4%	24.0%	21.3%	26.2%
7	36.2%	33.7%	33.9%	42.8%	53.7%	33.0%	25.1%	31.2%
8	41.5%	39.3%	39.6%	58.3%	59.7%	28.9%	29.4%	32.2%
9	38.1%	38.7%	39.2%	48.4%	60.2%	32.7%	30.9%	41.3%
10	37.2%	40.1%	41.5%	48.6%	59.7%	42.0%	36.0%	37.2%
11	32.6%	30.9%	34.4%	42.1%	54.7%	38.7%	27.3%	37.3%
12	38.4%	33.0%	34.2%	48.6%	53.4%	37.4%	27.9%	33.1%
15	40.7%	40.9%	44.8%	45.8%	60.5%	37.7%	34.7%	42.8%
16	37.4%	35.3%	36.2%	46.5%	56.7%	20.8%	27.1%	34.8%
17	39.4%	31.5%	30.8%	46.0%	58.5%	31.4%	27.9%	35.1%
18	47.8%	45.9%	47.4%	53.4%	67.6%	35.6%	34.9%	40.6%
19	45.0%	40.3%	45.3%	47.9%	64.8%	33.6%	36.4%	41.4%
20	42.8%	42.3%	39.7%	51.7%	63.7%	34.4%	33.2%	36.6%
21	49.4%	46.3%	40.0%	51.9%	56.4%	30.9%	29.3%	27.0%
22	43.8%	40.9%	43.4%	49.7%	59.0%	27.0%	25.1%	26.1%
23	44.6%	45.8%	44.2%	41.5%	61.0%	36.4%	42.1%	42.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	61.0%	56.2%	61.4%	56.2%	68.6%	62.2%	45.4%	48.5%
2	58.7%	72.6%	69.0%	86.1%	76.4%	67.7%	59.1%	59.0%
3	43.7%	48.4%	43.2%	62.0%	52.1%	48.4%	31.3%	35.5%
4	59.7%	54.3%	57.1%	65.6%	63.8%	64.7%	46.2%	56.3%
5	57.3%	48.5%	60.4%	65.3%	70.0%	58.9%	42.7%	50.9%
6	63.1%	59.9%	64.8%	72.2%	71.5%	68.7%	35.6%	39.5%
7	63.6%	66.6%	68.9%	72.3%	74.7%	73.6%	49.3%	51.9%
8	54.0%	55.0%	51.3%	66.4%	66.7%	47.7%	33.7%	41.4%
9	51.4%	56.8%	53.3%	66.6%	64.6%	51.5%	38.5%	47.4%
10	59.8%	55.2%	56.4%	67.9%	72.0%	60.4%	36.6%	43.7%
11	51.5%	52.3%	57.1%	65.1%	72.3%	66.7%	62.7%	62.6%
12	64.6%	57.3%	60.3%	73.7%	68.0%	67.0%	44.3%	48.8%
15	69.1%	68.0%	68.2%	71.5%	74.8%	73.0%	48.7%	63.4%
16	67.8%	67.0%	67.4%	69.5%	77.9%	68.5%	38.8%	49.7%
17	65.4%	64.6%	65.4%	70.6%	83.2%	73.8%	56.8%	64.5%
18	49.6%	47.5%	51.0%	62.1%	66.3%	35.9%	32.7%	53.7%
19	46.7%	44.4%	43.6%	58.9%	58.7%	58.7%	38.0%	54.2%
20	56.6%	57.7%	61.7%	66.8%	69.7%	60.5%	37.4%	47.1%
21	47.5%	38.7%	42.0%	54.7%	57.3%	42.2%	48.4%	39.7%
22	54.5%	56.4%	53.2%	62.7%	62.7%	51.5%	29.4%	33.2%
13	61.0%	48.2%	53.7%	61.5%	72.5%	74.1%	41.4%	47.3%
14	29.6%	45.8%	45.7%	38.1%	58.6%	59.3%	46.1%	39.9%

Service Type: Pathology
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	44.1%	30.9%	32.2%	70.8%	79.4%	41.0%	36.0%	36.9%
2	43.0%	41.9%	48.5%	74.9%	68.2%	26.4%	28.5%	22.9%
3	30.0%	21.8%	22.9%	39.5%	52.3%	23.3%	20.5%	24.0%
4	52.8%	35.2%	34.8%	50.8%	66.2%	35.8%	25.2%	50.9%
5	28.9%	18.1%	36.8%	73.9%	75.6%	18.8%	25.6%	46.4%
6	39.4%	25.9%	37.6%	60.3%	76.9%	24.7%	23.5%	24.8%
7	49.1%	44.6%	43.4%	71.3%	77.0%	46.5%	25.6%	51.5%
8	63.0%	56.3%	49.9%	64.5%	67.4%	36.1%	31.6%	40.0%
9	40.6%	40.9%	39.8%	58.4%	80.3%	23.1%	44.7%	46.0%
10	42.2%	59.0%	60.1%	60.7%	56.5%	24.2%	36.7%	41.4%
11	26.3%	31.0%	35.8%	65.3%	65.4%	44.7%	34.0%	44.6%
12	34.6%	23.2%	35.0%	70.8%	65.5%	38.5%	31.0%	27.2%
15	54.3%	41.8%	65.9%	47.8%	74.3%	44.3%	30.7%	43.1%
16	49.3%	47.2%	29.4%	56.7%	62.0%	21.9%	34.2%	47.1%
17	49.1%	41.1%	40.7%	55.5%	75.5%	24.9%	25.7%	45.2%
18	65.1%	64.0%	56.9%	70.9%	82.4%	43.2%	32.2%	50.7%
19	51.6%	36.6%	45.7%	69.5%	77.3%	33.7%	30.2%	54.4%
20	44.9%	60.9%	51.4%	78.4%	62.9%	22.1%	22.8%	35.5%
21	60.5%	55.9%	38.1%	67.5%	67.8%	40.7%	35.6%	26.9%
22	53.0%	42.9%	54.2%	52.7%	80.3%	22.1%	34.8%	36.7%
23	60.6%	48.9%	43.0%	51.3%	68.0%	25.5%	31.6%	49.4%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	75.3%	75.0%	80.3%	67.5%	82.8%	78.7%	53.3%	59.4%
2	63.3%	74.8%	75.7%	75.2%	82.6%	64.8%	59.3%	55.0%
3	56.4%	56.5%	65.4%	62.9%	66.0%	51.6%	43.5%	41.7%
4	58.2%	43.8%	59.9%	61.2%	70.8%	57.4%	15.0%	31.5%
5	72.1%	71.9%	74.0%	72.0%	81.3%	77.3%	46.7%	61.9%
6	82.7%	81.2%	83.4%	81.9%	85.2%	87.2%	56.8%	55.3%
7	59.7%	61.2%	55.4%	59.1%	63.6%	61.3%	24.6%	36.2%
8	76.0%	77.9%	75.2%	74.6%	83.0%	76.5%	54.9%	54.2%
9	82.4%	82.5%	88.4%	84.8%	85.4%	79.9%	67.6%	67.4%
10	85.5%	80.2%	81.5%	73.2%	90.4%	84.6%	46.7%	57.4%
11	84.9%	84.0%	84.7%	76.9%	92.0%	84.9%	75.5%	72.1%
12	66.5%	68.7%	74.2%	66.1%	77.6%	78.1%	42.3%	43.9%
15	83.7%	86.7%	85.8%	80.2%	88.9%	85.3%	53.4%	61.5%
16	61.8%	64.4%	68.5%	59.1%	77.7%	69.6%	54.7%	56.0%
17	78.2%	78.3%	76.7%	79.5%	93.2%	90.9%	61.4%	70.6%
18	68.2%	55.8%	69.0%	65.3%	76.1%	59.3%	48.5%	59.9%
19	79.3%	76.9%	73.3%	82.7%	84.2%	80.6%	49.7%	48.0%
20	69.4%	65.6%	61.4%	73.0%	75.8%	70.4%	35.1%	46.4%
21	74.0%	64.7%	72.5%	71.9%	81.0%	72.8%	52.5%	47.4%
22	78.0%	78.4%	83.8%	78.4%	83.6%	78.9%	48.9%	47.6%
13	74.6%	72.3%	73.2%	64.5%	78.3%	78.3%	43.0%	53.6%
14	76.6%	82.5%	80.3%	63.0%	80.5%	82.0%	51.2%	49.1%

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Exhibit III-3-1aa
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Physical Exams
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	90.2%	85.4%	84.8%	95.7%	88.1%	86.6%	71.5%	62.0%
2	93.5%	94.1%	89.9%	98.3%	95.4%	82.3%	84.7%	81.1%
3	94.0%	92.2%	88.6%	97.5%	95.7%	92.2%	81.7%	76.9%
4	97.7%	96.7%	96.7%	99.0%	97.0%	95.0%	93.8%	92.1%
5	97.9%	97.2%	96.1%	99.2%	98.8%	100.0%	90.2%	91.5%
6	94.7%	94.6%	93.9%	99.1%	96.4%	81.3%	78.3%	78.1%
7	96.5%	94.3%	94.1%	99.0%	97.9%	87.9%	80.1%	91.6%
8	96.7%	94.7%	93.2%	99.6%	98.5%	95.2%	81.9%	82.0%
9	96.5%	94.9%	92.3%	98.0%	97.0%	89.1%	83.9%	83.2%
10	93.8%	93.0%	87.5%	96.8%	90.9%	78.5%	71.0%	69.9%
11	95.6%	95.1%	96.1%	99.4%	98.2%	97.4%	89.8%	90.3%
12	95.6%	94.3%	94.5%	99.1%	97.7%	90.3%	91.8%	92.5%
15	97.1%	97.5%	97.4%	98.5%	97.6%	99.5%	91.1%	83.4%
16	98.0%	97.2%	96.8%	99.2%	98.9%	94.9%	95.6%	93.9%
17	97.5%	96.2%	94.7%	99.7%	98.9%	87.2%	75.8%	94.1%
18	97.0%	95.1%	92.3%	98.6%	98.2%	94.0%	89.1%	94.0%
19	96.5%	96.8%	93.5%	98.6%	97.1%	93.9%	87.9%	89.7%
20	95.8%	93.5%	93.9%	99.2%	98.7%	94.2%	88.0%	90.1%
21	97.8%	97.4%	96.6%	99.8%	98.3%	93.5%	91.4%	90.4%
22	97.5%	98.7%	97.4%	98.5%	98.4%	98.3%	91.2%	88.4%
23	90.0%	91.2%	89.4%	97.3%	95.9%	82.9%	86.2%	77.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	95.4%	91.1%	91.2%	98.5%	94.5%	87.5%	83.1%	77.5%
2	97.8%	96.0%	96.9%	99.5%	98.2%	98.6%	93.1%	93.6%
3	98.7%	97.5%	96.1%	99.5%	98.2%	96.2%	94.8%	92.5%
4	99.1%	98.6%	98.6%	99.8%	99.0%	97.6%	97.8%	95.8%
5	98.5%	97.7%	97.8%	99.8%	98.9%	93.3%	97.8%	92.8%
6	97.3%	95.0%	94.9%	99.1%	97.0%	91.5%	83.1%	82.8%
7	98.3%	98.0%	97.7%	99.6%	99.3%	97.2%	95.5%	96.8%
8	98.1%	96.4%	95.4%	99.5%	98.9%	95.2%	91.4%	87.4%
9	99.0%	97.7%	96.7%	99.7%	98.5%	100.0%	89.4%	91.0%
10	98.8%	98.2%	98.2%	99.4%	98.4%	89.6%	92.5%	92.4%
11	98.1%	97.6%	97.3%	99.3%	98.9%	98.6%	93.2%	94.1%
12	93.5%	88.8%	90.8%	99.4%	95.7%	85.4%	90.0%	85.7%
15	99.2%	98.9%	98.9%	99.9%	99.4%	99.6%	98.0%	97.9%
16	99.5%	99.0%	98.7%	99.9%	99.6%	99.1%	97.9%	97.7%
17	99.2%	98.8%	99.0%	100.0%	99.8%	98.5%	97.9%	98.5%
18	98.4%	97.7%	95.9%	99.4%	99.0%	91.5%	96.6%	98.1%
19	98.4%	97.5%	98.1%	97.6%	99.2%	97.3%	95.7%	96.3%
20	97.1%	93.4%	93.3%	99.2%	98.0%	92.4%	94.6%	91.4%
21	98.3%	97.2%	97.8%	99.4%	99.3%	96.7%	96.2%	91.8%
22	99.3%	98.4%	97.8%	100.0%	99.0%	94.8%	93.1%	95.8%
13	95.2%	92.4%	90.7%	98.6%	97.8%	85.9%	90.2%	82.0%
14	84.9%	88.7%	81.5%	97.5%	89.2%	84.5%	75.5%	79.6%

Service Type: Physical Exams
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	92.6%	80.9%	82.4%	96.7%	88.6%	85.8%	71.5%	53.8%
2	96.8%	93.9%	88.0%	98.3%	96.0%	77.8%	80.1%	86.4%
3	94.7%	93.1%	91.9%	98.5%	97.9%	91.4%	85.9%	76.6%
4	98.8%	97.6%	96.9%	99.1%	97.9%	94.5%	95.4%	94.5%
5	98.3%	95.5%	95.9%	99.4%	98.9%	100.0%	86.9%	90.1%
6	93.9%	94.1%	94.6%	99.0%	97.4%	80.6%	72.5%	73.7%
7	97.6%	92.2%	94.7%	99.2%	99.0%	88.3%	81.1%	91.5%
8	98.7%	94.3%	93.4%	99.6%	98.4%	95.1%	87.9%	91.4%
9	97.8%	95.6%	90.2%	98.8%	97.2%	86.8%	80.8%	83.1%
10	95.9%	94.2%	87.7%	97.6%	91.9%	82.0%	72.1%	68.1%
11	97.0%	95.4%	96.7%	99.6%	99.2%	98.1%	91.9%	92.2%
12	98.2%	95.6%	96.5%	99.6%	98.2%	92.5%	94.9%	94.5%
15	97.8%	97.8%	97.9%	99.3%	97.8%	99.4%	95.2%	86.8%
16	97.2%	99.0%	97.2%	99.3%	99.3%	92.8%	97.0%	94.8%
17	98.7%	96.7%	94.5%	99.9%	99.1%	86.1%	77.0%	93.2%
18	98.9%	95.9%	79.9%	99.0%	99.7%	92.5%	92.8%	93.4%
19	98.2%	95.7%	95.2%	99.1%	97.9%	93.9%	92.0%	92.9%
20	96.5%	94.2%	93.2%	99.7%	98.7%	91.9%	86.9%	91.1%
21	99.0%	98.0%	97.2%	99.7%	98.4%	91.1%	93.6%	91.7%
22	97.4%	99.0%	97.5%	99.3%	99.6%	98.5%	91.9%	90.3%
23	91.2%	94.3%	91.7%	99.3%	95.0%	82.3%	84.6%	77.0%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	94.8%	90.4%	90.7%	98.5%	96.5%	88.9%	83.1%	75.4%
2	97.5%	96.7%	96.7%	99.5%	98.4%	97.7%	93.1%	94.3%
3	99.2%	97.3%	96.4%	99.3%	98.6%	95.6%	94.9%	92.9%
4	98.8%	98.6%	98.9%	99.8%	99.1%	96.8%	97.9%	96.3%
5	98.6%	97.1%	97.1%	99.7%	98.8%	89.0%	97.6%	92.1%
6	97.2%	94.5%	95.1%	99.2%	96.6%	93.7%	83.1%	82.2%
7	98.7%	97.8%	97.7%	99.7%	99.6%	96.9%	96.4%	96.5%
8	98.4%	97.0%	96.6%	99.5%	98.9%	96.4%	93.3%	88.7%
9	99.5%	98.4%	97.0%	99.6%	97.9%	100.0%	88.0%	91.4%
10	99.1%	98.7%	98.0%	99.4%	99.1%	90.4%	92.9%	92.6%
11	98.6%	98.1%	96.8%	98.9%	99.3%	98.6%	93.1%	93.7%
12	94.9%	89.0%	90.6%	99.4%	97.5%	87.6%	89.8%	83.7%
15	99.1%	98.9%	98.7%	99.9%	99.6%	99.4%	97.7%	97.8%
16	99.6%	98.9%	98.7%	99.9%	99.6%	99.3%	98.1%	97.4%
17	99.3%	98.8%	98.7%	100.0%	99.9%	99.1%	98.0%	98.1%
18	98.1%	97.9%	94.1%	99.5%	98.9%	90.5%	96.2%	98.3%
19	98.3%	96.5%	97.5%	98.1%	99.2%	98.0%	95.1%	96.2%
20	95.6%	90.6%	89.6%	99.5%	97.6%	91.0%	93.7%	91.0%
21	97.6%	97.1%	97.9%	99.6%	99.4%	95.3%	96.2%	93.9%
22	99.6%	98.6%	97.2%	100.0%	99.4%	95.2%	94.2%	95.9%
13	95.5%	93.6%	86.1%	98.8%	97.1%	86.0%	88.1%	80.9%
14	83.5%	88.7%	83.6%	98.1%	89.6%	83.3%	71.3%	81.3%

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Exhibit III-3-1bb
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Physical Exams
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	65.8%	56.8%	53.4%	94.7%	69.0%	40.5%	48.0%	45.6%
2	68.2%	63.5%	70.9%	92.9%	85.6%	62.1%	60.0%	58.7%
3	78.9%	74.6%	72.4%	93.6%	85.4%	69.9%	65.1%	65.0%
4	91.7%	92.5%	93.4%	97.6%	95.0%	90.5%	94.1%	91.8%
5	94.8%	87.9%	90.0%	100.0%	96.8%	80.4%	87.6%	84.4%
6	79.4%	75.2%	72.9%	95.5%	88.5%	52.8%	61.0%	61.6%
7	88.1%	89.0%	81.7%	97.8%	94.6%	79.2%	82.4%	81.3%
8	82.7%	77.6%	79.8%	96.9%	95.6%	77.4%	68.2%	61.6%
9	86.3%	86.7%	81.7%	99.0%	93.9%	78.9%	83.5%	80.5%
10	88.7%	83.6%	72.7%	91.9%	87.2%	67.3%	65.5%	65.3%
11	84.3%	80.1%	81.3%	95.9%	93.3%	91.1%	80.6%	83.7%
12	85.2%	80.9%	87.7%	98.2%	93.6%	73.0%	85.2%	87.2%
15	83.7%	88.4%	87.6%	97.8%	92.7%	64.8%	61.2%	81.4%
16	87.7%	92.7%	88.3%	98.0%	95.3%	84.8%	86.1%	84.8%
17	82.5%	77.2%	78.8%	97.4%	95.2%	63.4%	71.5%	80.0%
18	80.8%	84.8%	75.5%	90.4%	95.6%	65.8%	70.9%	77.3%
19	86.4%	90.2%	88.3%	89.4%	95.1%	75.5%	81.5%	83.6%
20	86.6%	79.4%	79.7%	94.8%	94.9%	74.4%	80.2%	78.4%
21	90.9%	89.1%	91.8%	90.1%	93.7%	77.8%	88.2%	81.9%
22	90.4%	90.9%	87.9%	95.3%	94.9%	78.3%	78.1%	65.1%
23	78.3%	76.6%	76.2%	90.2%	88.5%	72.1%	75.7%	72.8%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	88.5%	86.5%	84.1%	94.6%	90.6%	87.4%	74.7%	77.1%
2	97.7%	99.4%	98.0%	100.1%	98.5%	97.9%	93.0%	96.0%
3	93.1%	95.7%	94.6%	98.6%	96.5%	94.3%	94.4%	91.7%
4	96.9%	98.4%	97.5%	100.0%	98.2%	98.6%	95.5%	97.7%
5	97.3%	93.1%	94.3%	100.4%	98.3%	95.0%	90.9%	97.4%
6	93.0%	96.3%	95.5%	95.8%	96.1%	96.2%	87.7%	82.4%
7	99.5%	96.7%	97.3%	100.0%	99.3%	98.8%	90.1%	96.4%
8	97.8%	91.4%	92.0%	98.1%	97.6%	94.2%	71.9%	87.8%
9	92.8%	96.2%	89.4%	99.7%	97.3%	92.5%	89.9%	91.1%
10	96.1%	99.0%	98.6%	101.0%	97.9%	97.9%	90.6%	97.4%
11	96.9%	94.5%	93.6%	98.7%	98.9%	94.9%	92.2%	95.0%
12	85.0%	89.5%	92.8%	95.9%	95.2%	92.2%	84.8%	84.9%
15	99.6%	99.1%	99.2%	100.3%	99.0%	99.1%	95.9%	98.1%
16	98.4%	98.3%	98.4%	100.0%	99.0%	98.6%	88.3%	94.4%
17	98.5%	97.9%	98.9%	100.7%	99.6%	97.6%	95.7%	98.1%
18	81.9%	83.5%	86.5%	95.9%	98.3%	91.7%	90.6%	95.5%
19	84.9%	90.7%	78.1%	86.7%	83.6%	89.4%	92.4%	97.8%
20	84.5%	86.1%	94.3%	96.9%	97.2%	93.8%	85.2%	85.6%
21	96.8%	92.1%	88.8%	99.3%	96.1%	94.1%	78.7%	93.9%
22	96.4%	95.5%	95.7%	99.1%	98.2%	95.9%	85.8%	87.0%
13	90.7%	90.2%	84.7%	95.5%	96.4%	89.3%	85.9%	86.1%
14	73.3%	70.2%	77.8%	79.4%	78.6%	72.4%	63.8%	70.4%

Service Type: Physical Exams
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	67.2%	51.4%	46.0%	97.2%	85.3%	47.2%	49.7%	42.7%
2	72.3%	66.4%	75.9%	96.4%	90.2%	58.0%	56.4%	50.1%
3	80.9%	72.8%	73.2%	92.5%	89.1%	72.8%	67.9%	66.6%
4	94.4%	92.0%	92.6%	97.7%	96.0%	90.9%	92.0%	93.2%
5	94.4%	83.8%	90.9%	100.0%	98.7%	79.5%	88.2%	88.3%
6	81.6%	71.0%	76.6%	97.8%	94.3%	53.6%	64.2%	60.2%
7	90.5%	90.8%	84.8%	98.9%	97.3%	83.4%	82.6%	86.8%
8	89.3%	84.4%	85.2%	97.5%	96.5%	80.7%	69.8%	68.2%
9	87.3%	87.6%	82.0%	99.3%	97.0%	74.5%	86.8%	82.3%
10	90.1%	89.0%	81.4%	94.7%	86.0%	55.2%	66.0%	67.8%
11	77.3%	80.2%	82.4%	98.2%	94.9%	92.0%	83.4%	85.6%
12	83.7%	74.2%	88.0%	99.3%	95.9%	73.4%	86.0%	85.7%
15	87.9%	88.8%	92.4%	98.1%	95.3%	68.7%	57.7%	81.5%
16	91.7%	94.8%	86.3%	98.5%	95.9%	85.1%	88.3%	88.7%
17	86.3%	80.4%	83.6%	98.4%	97.9%	59.9%	69.3%	84.2%
18	87.7%	89.9%	79.9%	94.9%	97.6%	69.9%	69.0%	81.6%
19	88.3%	89.3%	88.4%	93.8%	96.8%	75.6%	78.7%	87.2%
20	87.4%	86.0%	83.6%	97.9%	94.8%	68.0%	75.7%	78.0%
21	92.9%	91.0%	91.5%	93.4%	95.7%	81.3%	89.4%	81.9%
22	92.0%	91.2%	90.2%	95.9%	97.6%	76.1%	81.7%	71.2%
23	85.3%	78.2%	75.7%	94.3%	90.6%	67.3%	70.2%	76.1%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	93.7%	92.9%	92.0%	97.3%	94.8%	92.9%	78.8%	81.9%
2	98.1%	99.5%	98.4%	100.2%	98.9%	97.7%	93.0%	95.6%
3	94.8%	96.3%	97.0%	98.6%	97.6%	94.4%	95.4%	92.4%
4	96.3%	97.6%	97.2%	99.4%	98.0%	97.8%	80.6%	83.6%
5	98.3%	97.3%	96.4%	100.3%	98.9%	97.3%	91.4%	98.0%
6	96.8%	98.3%	97.9%	97.4%	98.0%	98.4%	91.7%	87.0%
7	88.2%	85.3%	87.7%	87.1%	87.1%	88.4%	85.2%	95.2%
8	98.9%	96.0%	96.2%	98.7%	98.8%	97.5%	81.0%	90.5%
9	97.4%	98.5%	97.4%	99.9%	98.9%	96.9%	94.7%	94.5%
10	98.6%	99.7%	99.5%	100.6%	99.3%	99.2%	92.1%	98.0%
11	99.0%	98.2%	97.7%	99.4%	99.7%	97.7%	94.9%	96.3%
12	86.7%	92.3%	95.5%	94.7%	96.6%	94.8%	84.5%	83.5%
15	99.8%	99.6%	99.7%	100.2%	99.6%	99.5%	96.4%	98.0%
16	98.1%	98.1%	98.5%	100.0%	99.0%	98.6%	91.3%	95.1%
17	99.5%	99.3%	99.6%	100.2%	99.9%	99.2%	96.2%	98.5%
18	88.6%	86.2%	91.5%	96.2%	98.8%	94.9%	92.8%	96.1%
19	97.9%	99.6%	93.9%	100.5%	98.5%	98.4%	93.8%	97.5%
20	89.1%	88.7%	94.2%	97.5%	97.7%	95.3%	84.2%	85.4%
21	98.4%	96.3%	95.3%	99.6%	98.3%	97.2%	80.4%	94.7%
22	98.6%	97.9%	98.7%	99.5%	99.3%	98.4%	90.4%	89.9%
13	94.0%	94.8%	91.1%	96.1%	97.2%	91.1%	86.7%	87.8%
14	91.7%	90.6%	92.3%	89.0%	90.4%	88.0%	69.5%	78.1%

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Exhibit III-3-1cc
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Physical Medicine
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	87.4%	79.5%	77.1%	95.1%	82.1%	71.6%	62.9%	39.4%
2	85.0%	81.6%	81.7%	96.9%	82.5%	66.2%	60.2%	45.8%
3	75.7%	65.3%	59.9%	89.7%	70.0%	47.6%	39.6%	27.9%
4	90.1%	84.9%	82.2%	92.3%	81.5%	64.8%	67.1%	47.2%
5	88.7%	88.4%	83.6%	98.4%	91.7%	77.4%	92.1%	73.4%
6	91.0%	84.9%	85.6%	96.6%	89.2%	69.4%	70.9%	53.9%
7	90.4%	84.9%	84.9%	95.7%	88.2%	80.0%	74.6%	60.6%
8	83.4%	77.0%	72.4%	90.2%	79.4%	62.7%	47.0%	38.1%
9	90.5%	87.8%	87.0%	93.6%	89.7%	80.5%	77.7%	64.2%
10	83.4%	79.6%	73.0%	94.2%	72.1%	65.5%	51.3%	28.6%
11	85.2%	84.0%	81.7%	92.8%	83.7%	69.4%	61.8%	47.7%
12	90.6%	84.1%	80.6%	97.0%	85.0%	75.4%	59.8%	53.0%
15	84.4%	83.5%	77.1%	91.7%	83.0%	57.6%	58.9%	51.4%
16	88.2%	84.3%	85.0%	91.8%	87.7%	68.8%	71.9%	65.7%
17	92.7%	86.2%	85.8%	94.8%	89.9%	65.4%	71.0%	64.8%
18	88.3%	80.3%	79.1%	96.4%	81.6%	69.3%	53.7%	41.7%
19	87.3%	79.2%	77.8%	94.0%	83.1%	78.3%	54.6%	46.6%
20	90.3%	81.8%	80.5%	89.9%	83.3%	68.3%	71.5%	49.0%
21	86.1%	81.4%	79.7%	92.8%	80.1%	62.2%	58.4%	37.1%
22	89.6%	83.6%	82.3%	92.7%	83.8%	73.6%	62.6%	55.4%
23	83.5%	78.3%	74.1%	83.4%	79.7%	70.6%	57.1%	42.5%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	88.9%	78.5%	77.4%	97.0%	83.7%	69.9%	69.7%	45.3%
2	89.5%	85.1%	78.8%	97.5%	85.2%	65.8%	61.1%	44.8%
3	84.2%	72.7%	69.9%	95.2%	77.8%	66.7%	52.1%	46.5%
4	89.0%	83.2%	77.0%	93.6%	81.2%	72.2%	71.8%	55.4%
5	88.2%	80.5%	83.0%	98.3%	90.0%	72.9%	74.3%	62.7%
6	91.5%	88.2%	86.1%	97.1%	88.1%	83.3%	76.3%	60.1%
7	92.8%	87.5%	86.7%	97.1%	88.4%	82.3%	78.3%	66.2%
8	83.5%	74.3%	68.2%	92.8%	75.0%	69.4%	37.8%	36.0%
9	93.4%	87.9%	85.5%	96.9%	88.6%	84.9%	78.6%	65.4%
10	82.5%	77.9%	72.0%	95.5%	69.2%	52.5%	59.9%	36.2%
11	88.7%	84.6%	81.5%	96.2%	83.1%	59.4%	72.3%	51.8%
12	91.1%	83.7%	79.7%	97.0%	85.3%	67.6%	71.6%	56.0%
15	87.0%	83.6%	77.9%	96.4%	83.5%	73.5%	60.7%	54.6%
16	89.8%	87.6%	84.5%	92.4%	88.5%	69.8%	81.9%	66.4%
17	89.4%	86.0%	82.5%	94.2%	87.6%	66.7%	58.8%	60.1%
18	88.9%	82.1%	79.7%	94.8%	85.6%	69.6%	65.8%	47.1%
19	83.9%	80.0%	74.2%	96.1%	83.9%	55.3%	49.4%	45.6%
20	89.0%	79.6%	76.4%	92.7%	84.2%	71.9%	65.5%	43.2%
21	86.3%	75.3%	75.4%	94.8%	80.0%	65.4%	54.1%	29.5%
22	90.1%	81.1%	80.6%	94.8%	83.8%	59.0%	59.8%	51.7%
13	84.3%	75.1%	75.2%	95.0%	80.9%	55.5%	63.0%	42.0%
14	91.0%	81.3%	83.1%	97.7%	86.4%	71.4%	75.5%	53.2%

Service Type: Physical Medicine
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	90.5%	73.1%	73.4%	96.3%	82.9%	70.0%	62.8%	30.5%
2	92.6%	81.1%	78.1%	96.9%	84.9%	58.5%	52.9%	59.1%
3	78.6%	68.9%	70.8%	93.9%	85.6%	43.4%	51.9%	27.6%
4	94.7%	89.0%	83.3%	92.8%	87.0%	61.4%	75.8%	63.2%
5	90.7%	81.8%	82.6%	98.9%	92.8%	74.0%	89.4%	69.0%
6	89.6%	83.7%	87.3%	96.2%	92.2%	68.4%	63.1%	44.5%
7	93.2%	79.4%	86.4%	96.8%	94.4%	80.7%	75.9%	60.0%
8	93.3%	75.5%	73.4%	90.9%	77.9%	61.4%	62.3%	64.4%
9	93.9%	89.5%	83.5%	96.2%	90.2%	76.5%	73.5%	63.9%
10	89.1%	83.3%	73.6%	95.6%	74.4%	71.1%	52.9%	26.1%
11	89.9%	85.0%	84.5%	95.0%	93.2%	77.6%	69.9%	57.0%
12	96.1%	87.8%	87.9%	98.6%	88.5%	80.8%	74.8%	65.3%
15	87.8%	85.4%	81.6%	96.1%	84.1%	52.3%	78.1%	60.9%
16	83.0%	94.6%	86.9%	93.1%	92.9%	56.0%	80.8%	70.7%
17	96.3%	88.1%	85.5%	98.2%	91.1%	62.8%	72.4%	59.6%
18	95.8%	83.6%	59.0%	97.4%	96.5%	62.0%	66.2%	38.9%
19	93.4%	73.5%	83.6%	96.3%	87.9%	78.5%	70.1%	62.2%
20	91.9%	83.7%	78.2%	96.7%	84.0%	56.2%	68.6%	53.7%
21	93.8%	85.6%	83.3%	89.8%	81.3%	51.0%	68.8%	42.6%
22	89.1%	87.2%	82.9%	96.6%	95.8%	77.8%	65.5%	62.7%
23	85.5%	85.9%	79.6%	95.6%	76.1%	69.5%	53.1%	42.3%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	87.5%	76.8%	76.1%	97.0%	89.6%	73.3%	69.8%	40.1%
2	88.2%	87.4%	77.2%	97.7%	86.9%	45.1%	60.9%	51.2%
3	89.9%	69.4%	72.5%	93.6%	82.5%	61.2%	53.2%	49.6%
4	86.0%	82.3%	81.6%	92.9%	82.9%	63.5%	74.1%	60.4%
5	89.2%	75.1%	77.4%	97.1%	89.1%	55.5%	72.3%	59.2%
6	91.4%	87.0%	86.8%	97.3%	86.4%	87.6%	76.3%	58.8%
7	94.5%	86.3%	86.6%	97.8%	92.7%	80.4%	82.5%	63.5%
8	86.3%	79.1%	76.6%	93.2%	76.2%	77.0%	51.9%	42.8%
9	96.3%	91.5%	86.9%	95.7%	84.2%	86.6%	75.8%	66.9%
10	87.2%	83.7%	69.8%	95.8%	83.6%	56.5%	62.1%	38.1%
11	91.4%	87.3%	78.5%	93.8%	89.1%	60.1%	71.8%	49.0%
12	92.9%	83.9%	79.4%	96.8%	91.3%	72.6%	71.1%	49.9%
15	83.9%	83.9%	75.8%	97.0%	89.2%	65.7%	56.1%	52.0%
16	90.9%	86.0%	85.4%	94.9%	89.6%	74.0%	83.7%	63.0%
17	90.1%	86.6%	76.5%	95.9%	89.6%	79.7%	60.0%	48.5%
18	87.5%	84.2%	70.5%	95.4%	82.9%	66.1%	61.3%	52.5%
19	83.5%	72.4%	64.5%	96.9%	84.5%	66.3%	43.5%	44.0%
20	83.2%	71.1%	63.2%	95.6%	81.4%	66.7%	59.2%	41.1%
21	81.0%	74.8%	76.8%	96.6%	83.0%	51.0%	54.9%	40.5%
22	93.6%	83.9%	74.9%	96.3%	89.9%	62.7%	66.5%	53.1%
13	85.4%	78.9%	62.9%	95.6%	74.7%	55.8%	55.0%	38.9%
14	90.1%	81.3%	85.0%	98.2%	86.9%	69.2%	71.3%	57.1%

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Exhibit III-3-1dd
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Physical Medicine
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	66.9%	55.8%	56.9%	80.6%	58.1%	39.4%	32.4%	26.5%
2	53.6%	59.5%	53.3%	84.6%	63.3%	32.6%	26.5%	28.4%
3	53.8%	44.5%	35.2%	79.4%	45.5%	32.6%	24.6%	17.6%
4	79.8%	73.2%	68.3%	89.6%	70.2%	49.7%	63.4%	49.1%
5	72.1%	65.1%	67.6%	95.4%	79.5%	45.0%	44.3%	57.1%
6	67.3%	65.4%	67.4%	87.4%	77.9%	47.8%	38.6%	40.2%
7	79.1%	70.8%	69.4%	90.9%	77.3%	50.0%	54.4%	48.2%
8	65.3%	61.5%	57.2%	84.3%	68.1%	34.3%	42.0%	33.8%
9	79.8%	72.5%	74.8%	89.6%	79.3%	59.6%	69.7%	57.8%
10	50.2%	52.2%	50.4%	96.5%	48.1%	26.0%	32.9%	18.1%
11	74.0%	57.2%	62.2%	93.0%	63.2%	33.2%	32.4%	30.0%
12	68.7%	61.3%	61.6%	93.2%	62.9%	33.1%	45.1%	30.9%
15	69.1%	48.9%	51.5%	84.7%	60.4%	38.3%	50.6%	28.7%
16	75.1%	74.3%	72.0%	88.6%	80.3%	66.0%	64.3%	60.2%
17	77.3%	68.3%	66.4%	90.1%	74.9%	30.4%	40.3%	43.1%
18	71.3%	74.2%	58.2%	87.1%	70.2%	35.6%	45.7%	30.2%
19	62.1%	50.0%	51.6%	86.3%	60.6%	41.7%	41.9%	30.1%
20	76.3%	65.7%	68.3%	80.4%	67.6%	52.6%	55.3%	32.1%
21	74.2%	70.4%	59.0%	81.3%	53.1%	23.8%	33.3%	15.4%
22	74.2%	70.9%	64.1%	86.6%	69.0%	31.2%	55.5%	38.7%
23	70.0%	61.1%	54.7%	77.3%	57.4%	26.9%	41.1%	29.0%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	78.3%	70.1%	65.5%	90.4%	71.9%	65.6%	47.8%	38.8%
2	80.4%	80.3%	84.2%	93.9%	82.3%	75.6%	64.6%	52.5%
3	65.8%	76.2%	68.7%	86.7%	72.6%	63.1%	54.8%	48.3%
4	89.9%	82.0%	84.6%	96.7%	73.6%	75.3%	74.3%	63.0%
5	86.9%	86.2%	81.4%	100.0%	78.2%	77.5%	65.9%	66.6%
6	93.1%	86.4%	84.0%	100.3%	88.8%	82.5%	73.4%	49.6%
7	94.1%	85.7%	85.7%	95.5%	88.7%	86.2%	76.4%	68.3%
8	71.4%	82.9%	65.7%	88.7%	72.0%	63.4%	43.7%	45.7%
9	98.1%	88.5%	79.7%	101.6%	79.7%	81.0%	68.5%	75.7%
10	67.4%	65.4%	53.8%	79.8%	61.3%	58.4%	40.3%	27.2%
11	86.1%	92.8%	74.3%	100.1%	78.2%	71.4%	68.5%	59.7%
12	86.6%	72.8%	78.5%	92.3%	77.4%	71.1%	63.0%	51.1%
15	86.1%	80.2%	71.1%	96.1%	77.4%	75.4%	67.8%	60.2%
16	88.1%	87.4%	88.0%	94.7%	89.5%	87.1%	75.6%	67.2%
17	82.4%	90.9%	74.4%	98.2%	88.5%	81.4%	63.2%	64.3%
18	82.5%	78.9%	68.2%	101.6%	74.9%	65.5%	63.7%	57.5%
19	69.8%	70.4%	46.3%	74.6%	61.5%	51.6%	46.7%	48.8%
20	72.8%	70.9%	63.0%	84.4%	75.1%	67.6%	60.2%	44.6%
21	66.4%	63.7%	52.2%	87.0%	55.1%	49.0%	55.5%	38.8%
22	84.3%	73.7%	66.6%	95.8%	74.9%	65.6%	56.5%	46.2%
13	67.4%	57.3%	50.7%	85.1%	75.3%	58.7%	50.7%	43.6%
14	57.7%	55.8%	52.5%	76.4%	54.2%	51.8%	35.0%	40.6%

Service Type: Physical Medicine
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	68.3%	50.2%	50.1%	89.9%	80.1%	46.2%	34.2%	23.2%
2	59.5%	62.7%	61.4%	92.3%	75.1%	26.7%	23.1%	19.1%
3	58.0%	40.9%	36.7%	75.9%	59.4%	38.7%	29.0%	20.2%
4	86.4%	71.4%	64.2%	90.0%	76.2%	52.0%	50.7%	57.3%
5	70.3%	53.6%	70.7%	97.0%	91.7%	42.4%	47.2%	67.8%
6	70.7%	59.5%	71.9%	93.7%	89.0%	48.7%	42.6%	38.0%
7	83.4%	75.6%	74.5%	95.4%	88.7%	60.1%	54.9%	63.5%
8	78.6%	73.2%	68.6%	87.2%	74.2%	42.8%	44.8%	42.0%
9	81.2%	74.5%	75.1%	92.8%	89.8%	51.2%	75.7%	61.6%
10	56.3%	67.8%	66.1%	97.7%	45.5%	14.9%	33.5%	20.2%
11	62.6%	57.5%	64.3%	96.9%	71.9%	38.9%	40.3%	36.3%
12	65.5%	47.8%	62.5%	97.2%	76.3%	34.3%	48.2%	25.3%
15	77.1%	49.9%	70.1%	86.4%	74.2%	44.9%	46.2%	28.9%
16	83.1%	81.7%	67.0%	91.5%	82.8%	66.6%	69.9%	70.3%
17	82.2%	72.8%	74.1%	93.8%	88.8%	24.1%	37.1%	55.0%
18	81.6%	82.8%	65.7%	93.1%	83.8%	43.2%	42.2%	37.7%
19	67.4%	45.5%	51.9%	92.0%	74.6%	41.9%	34.8%	39.9%
20	77.8%	76.7%	74.5%	91.9%	66.7%	40.7%	45.2%	31.0%
21	79.9%	75.7%	57.6%	87.5%	63.8%	31.3%	39.7%	15.4%
22	78.6%	71.9%	71.0%	88.1%	85.1%	25.5%	62.8%	49.4%
23	79.6%	63.7%	53.7%	86.6%	64.4%	18.6%	30.8%	34.0%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	88.0%	84.3%	82.6%	95.3%	84.6%	80.7%	56.0%	50.1%
2	83.6%	81.8%	87.6%	89.1%	87.0%	73.4%	64.8%	48.0%
3	74.2%	79.7%	82.8%	87.0%	80.8%	64.1%	62.9%	52.6%
4	89.2%	77.7%	85.3%	95.9%	78.5%	70.1%	52.3%	39.9%
5	92.1%	94.5%	88.1%	100.0%	86.4%	87.9%	67.8%	74.0%
6	96.8%	93.6%	92.5%	100.2%	94.2%	92.8%	82.2%	62.7%
7	83.9%	76.6%	74.5%	82.9%	77.0%	74.9%	64.9%	57.9%
8	85.9%	92.1%	83.6%	92.3%	85.7%	84.4%	61.8%	57.6%
9	99.3%	95.3%	95.0%	100.7%	91.7%	92.1%	83.4%	85.0%
10	88.3%	89.9%	76.8%	86.6%	86.3%	82.5%	49.8%	44.2%
11	95.7%	97.6%	90.8%	100.1%	93.7%	87.0%	79.3%	69.9%
12	88.1%	80.2%	86.5%	90.1%	84.2%	80.8%	62.1%	46.5%
15	92.6%	91.8%	87.1%	97.6%	90.1%	86.7%	71.7%	58.3%
16	85.9%	86.4%	88.4%	93.7%	89.4%	87.6%	82.0%	71.3%
17	94.3%	97.0%	89.9%	99.3%	95.3%	93.5%	66.9%	70.4%
18	89.0%	82.4%	79.9%	101.5%	82.2%	79.0%	72.3%	63.2%
19	90.6%	89.7%	74.9%	92.8%	85.8%	76.5%	56.7%	42.2%
20	80.8%	76.4%	62.7%	87.3%	80.0%	75.7%	57.3%	43.9%
21	83.4%	83.0%	80.1%	92.8%	79.2%	76.0%	59.0%	46.7%
22	93.6%	88.1%	89.8%	98.0%	90.0%	86.7%	70.6%	58.4%
13	78.8%	77.2%	70.0%	87.2%	80.5%	63.7%	53.5%	50.4%
14	86.5%	85.8%	82.9%	87.3%	78.3%	78.6%	42.0%	49.7%

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Exhibit III-3-1ee
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Radiology
Enrollee Type: OldPre
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	54.5%	44.3%	42.0%	52.5%	50.9%	38.4%	32.7%	22.6%
2	57.6%	52.9%	46.5%	56.5%	52.9%	47.6%	35.1%	25.3%
3	48.5%	40.3%	34.5%	55.7%	51.0%	39.1%	21.4%	16.8%
4	48.6%	41.1%	38.1%	50.2%	44.1%	39.8%	22.6%	16.6%
5	54.7%	48.1%	44.9%	63.2%	57.7%	44.2%	31.7%	24.3%
6	56.3%	48.4%	48.6%	57.8%	55.1%	35.9%	26.4%	22.9%
7	49.1%	42.9%	41.4%	52.1%	51.7%	40.5%	20.3%	23.2%
8	55.9%	46.9%	43.7%	66.3%	57.4%	40.8%	19.3%	20.8%
9	57.4%	50.2%	47.4%	62.0%	57.4%	37.3%	34.1%	30.1%
10	51.2%	46.5%	42.0%	50.2%	42.3%	30.7%	18.1%	15.1%
11	43.4%	39.4%	37.3%	47.1%	45.1%	40.3%	20.5%	18.1%
12	56.0%	46.1%	43.5%	58.7%	52.7%	43.3%	31.2%	23.5%
15	57.2%	52.2%	49.7%	57.5%	57.4%	36.1%	26.4%	27.2%
16	52.9%	48.1%	47.2%	57.6%	57.3%	38.9%	26.3%	28.9%
17	61.5%	53.7%	51.5%	56.1%	61.0%	47.2%	33.5%	33.5%
18	64.2%	55.1%	52.9%	60.5%	58.2%	48.3%	34.5%	28.4%
19	60.3%	52.8%	51.7%	55.1%	58.2%	38.8%	29.2%	28.7%
20	66.2%	55.5%	54.0%	57.8%	62.4%	36.2%	37.2%	27.6%
21	64.1%	55.8%	53.1%	55.8%	60.1%	42.1%	31.5%	26.0%
22	68.9%	59.7%	59.9%	62.9%	68.1%	53.2%	35.0%	34.2%
23	60.9%	54.7%	52.1%	57.1%	60.0%	44.2%	35.0%	28.7%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	54.3%	45.1%	42.6%	54.5%	51.0%	41.5%	37.4%	22.8%
2	57.4%	50.4%	45.1%	57.2%	52.7%	46.6%	39.0%	26.2%
3	50.5%	39.9%	34.2%	58.1%	49.5%	33.6%	24.7%	17.0%
4	50.0%	40.0%	36.3%	50.4%	43.3%	36.5%	25.9%	17.4%
5	56.9%	51.1%	48.6%	68.6%	59.5%	46.1%	38.7%	26.2%
6	59.8%	48.4%	49.2%	59.1%	55.6%	36.1%	35.0%	25.6%
7	49.9%	41.2%	41.3%	52.8%	50.6%	37.5%	28.6%	24.3%
8	56.6%	46.3%	41.8%	64.8%	55.0%	40.2%	22.2%	19.8%
9	60.3%	51.2%	47.2%	62.3%	59.1%	41.3%	40.7%	33.3%
10	50.7%	42.7%	39.9%	52.8%	41.0%	29.1%	25.3%	16.3%
11	46.8%	40.2%	39.6%	51.4%	46.7%	32.5%	30.0%	20.1%
12	57.6%	46.9%	42.5%	58.6%	52.8%	41.1%	39.8%	24.6%
15	58.5%	52.1%	49.8%	56.7%	58.8%	43.0%	36.3%	30.2%
16	55.4%	49.8%	48.5%	58.5%	58.9%	38.1%	37.2%	29.8%
17	60.1%	54.3%	49.1%	57.0%	61.7%	36.8%	34.2%	33.8%
18	63.8%	53.2%	49.0%	61.4%	58.0%	43.4%	34.2%	29.5%
19	58.8%	50.9%	49.6%	52.9%	58.2%	38.9%	39.3%	29.6%
20	67.0%	57.7%	53.5%	61.4%	62.5%	46.7%	36.8%	28.9%
21	61.2%	48.4%	46.4%	52.0%	56.6%	41.1%	26.3%	22.2%
22	62.5%	50.3%	47.2%	57.7%	58.7%	37.7%	32.5%	25.8%
13	64.4%	53.8%	52.5%	62.4%	64.0%	48.6%	42.4%	33.9%
14	60.6%	52.0%	52.3%	57.2%	60.1%	35.7%	47.5%	22.2%

Service Type: Radiology
Enrollee Type: OldPre
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	57.5%	39.6%	38.6%	56.3%	51.5%	36.7%	32.6%	17.5%
2	63.7%	52.4%	43.4%	56.6%	55.3%	42.0%	30.8%	32.7%
3	50.5%	42.5%	40.8%	61.8%	64.0%	35.7%	28.0%	16.6%
4	55.8%	50.6%	39.1%	51.0%	51.0%	36.3%	30.9%	24.1%
5	57.2%	37.1%	43.1%	67.5%	59.3%	39.7%	25.1%	20.9%
6	54.2%	46.6%	51.4%	56.9%	63.6%	34.9%	22.4%	18.3%
7	53.9%	34.7%	44.3%	59.0%	69.2%	41.5%	21.3%	22.8%
8	68.2%	45.8%	44.4%	67.3%	56.0%	39.6%	25.6%	35.1%
9	64.6%	53.1%	41.0%	72.2%	58.5%	32.3%	30.8%	30.0%
10	55.6%	49.8%	42.4%	53.2%	43.7%	35.2%	18.7%	13.8%
11	47.6%	40.3%	39.7%	51.1%	57.0%	50.5%	25.4%	21.6%
12	66.9%	51.2%	51.7%	64.2%	54.9%	52.6%	40.5%	29.5%
15	60.3%	54.5%	52.8%	61.1%	58.8%	32.8%	41.3%	32.2%
16	47.2%	64.1%	49.3%	60.1%	69.2%	31.0%	35.0%	32.5%
17	76.2%	55.9%	50.9%	77.5%	62.5%	45.2%	34.8%	29.2%
18	82.3%	59.2%	39.5%	62.2%	75.1%	41.8%	42.5%	26.5%
19	67.0%	49.0%	59.1%	62.2%	63.9%	39.1%	38.0%	38.3%
20	68.8%	58.2%	52.0%	67.7%	63.1%	28.3%	34.6%	30.3%
21	81.5%	61.6%	58.0%	49.7%	61.3%	34.5%	37.1%	29.9%
22	68.1%	65.7%	60.9%	78.2%	87.4%	60.0%	36.6%	39.6%
23	63.0%	64.5%	55.9%	77.5%	57.2%	43.0%	32.6%	28.6%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	51.9%	43.1%	41.0%	54.8%	59.5%	44.8%	37.5%	19.3%
2	54.6%	54.9%	42.9%	58.1%	55.6%	30.3%	38.9%	30.6%
3	59.9%	35.6%	37.5%	52.9%	56.0%	27.3%	25.5%	19.1%
4	43.5%	38.4%	43.0%	48.7%	46.2%	25.8%	28.7%	21.6%
5	58.8%	44.0%	40.2%	61.8%	57.7%	29.8%	36.0%	22.6%
6	59.6%	45.3%	50.9%	60.8%	51.5%	48.8%	35.0%	24.1%
7	55.7%	38.3%	41.2%	56.8%	58.9%	33.6%	34.8%	21.8%
8	60.7%	52.1%	50.3%	65.8%	56.4%	49.7%	30.5%	24.0%
9	70.2%	60.3%	50.3%	56.4%	49.2%	45.4%	36.2%	35.1%
10	57.4%	50.3%	37.6%	53.8%	55.4%	32.5%	27.0%	17.4%
11	52.5%	45.0%	35.1%	41.9%	54.6%	33.0%	29.5%	18.4%
12	62.1%	47.4%	42.0%	57.8%	62.4%	46.3%	39.2%	19.7%
15	53.8%	52.6%	47.5%	58.5%	65.0%	35.2%	32.9%	28.5%
16	58.1%	45.7%	50.3%	64.3%	61.0%	43.4%	41.0%	25.9%
17	61.5%	55.4%	39.7%	61.7%	65.2%	48.4%	35.2%	21.9%
18	61.2%	56.3%	37.7%	63.1%	54.5%	40.3%	30.1%	32.9%
19	58.3%	41.6%	40.7%	56.3%	59.0%	46.6%	34.6%	28.6%
20	56.5%	46.8%	37.9%	67.2%	58.9%	40.7%	30.5%	27.4%
21	54.4%	47.9%	47.8%	57.4%	59.4%	28.7%	26.9%	30.5%
22	69.9%	54.3%	39.6%	62.3%	66.4%	40.6%	37.4%	26.8%
13	65.9%	57.9%	39.7%	64.2%	58.4%	48.9%	35.9%	31.4%
14	58.6%	52.1%	55.2%	60.4%	60.8%	33.1%	42.0%	25.5%

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Exhibit III-3-1ff
Reliance Factors
Comparison of FY04 ELDA Factors vs. FY03 ELDA Factors

Service Type: Radiology
Enrollee Type: Post
Age Group: Over 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	22.8%	17.7%	16.8%	23.4%	24.9%	9.9%	11.2%	10.6%
2	19.3%	16.4%	14.6%	22.7%	26.7%	12.6%	9.9%	9.7%
3	19.0%	13.0%	12.1%	28.6%	23.0%	8.1%	7.0%	7.2%
4	24.1%	17.7%	15.4%	22.6%	22.8%	16.8%	9.9%	9.4%
5	21.6%	17.8%	16.3%	38.2%	30.6%	6.8%	3.5%	10.8%
6	21.0%	19.6%	18.9%	28.1%	32.6%	17.6%	12.2%	11.2%
7	22.6%	19.4%	17.9%	24.7%	28.8%	19.8%	10.9%	11.2%
8	27.7%	25.0%	23.4%	42.0%	39.4%	20.0%	13.3%	11.9%
9	24.7%	25.2%	23.3%	36.8%	37.0%	19.9%	12.5%	17.8%
10	20.6%	19.1%	16.5%	29.1%	23.0%	13.4%	15.7%	8.6%
11	18.4%	15.0%	15.2%	24.3%	23.4%	15.7%	7.1%	9.5%
12	24.7%	18.8%	17.0%	33.2%	26.5%	9.8%	8.7%	8.9%
15	22.5%	20.9%	20.7%	28.4%	29.4%	16.3%	11.5%	11.1%
16	26.3%	22.3%	23.8%	32.5%	36.0%	13.3%	15.9%	16.6%
17	28.1%	22.4%	21.7%	33.5%	39.9%	22.7%	19.6%	19.6%
18	33.2%	32.0%	31.3%	40.5%	43.2%	26.0%	17.2%	18.1%
19	27.4%	21.4%	21.4%	27.4%	32.7%	14.7%	15.5%	12.8%
20	29.8%	27.1%	24.2%	32.7%	39.0%	21.5%	16.3%	15.1%
21	32.5%	31.8%	26.5%	32.4%	33.6%	15.8%	12.2%	10.9%
22	34.3%	30.3%	31.0%	41.0%	43.2%	21.2%	13.5%	11.3%
23	27.9%	23.5%	19.6%	24.9%	28.4%	12.2%	14.0%	12.9%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	46.1%	43.3%	48.3%	52.7%	51.5%	49.3%	25.0%	22.9%
2	56.3%	57.4%	55.8%	67.4%	60.4%	56.5%	42.0%	43.4%
3	40.6%	46.5%	38.5%	53.2%	45.1%	43.4%	25.1%	24.4%
4	49.6%	43.6%	42.6%	46.6%	44.3%	55.8%	36.5%	35.9%
5	54.4%	39.7%	56.4%	54.2%	51.8%	53.9%	34.9%	37.8%
6	58.3%	56.0%	59.3%	67.6%	61.6%	55.8%	24.8%	29.9%
7	54.8%	59.0%	58.0%	61.4%	61.4%	59.2%	38.8%	34.2%
8	46.7%	49.7%	44.2%	59.2%	56.4%	42.8%	25.7%	28.8%
9	46.6%	48.0%	45.1%	53.7%	49.4%	47.5%	35.4%	30.8%
10	51.5%	47.3%	43.8%	56.7%	45.9%	43.1%	17.5%	14.0%
11	44.0%	42.7%	41.9%	51.1%	47.2%	48.7%	39.7%	36.9%
12	60.3%	48.7%	53.2%	64.6%	54.4%	50.6%	33.8%	35.8%
15	58.4%	49.7%	55.2%	53.5%	57.0%	56.0%	41.5%	42.7%
16	67.4%	63.3%	60.1%	62.1%	67.2%	61.8%	21.7%	30.2%
17	64.3%	63.0%	62.4%	64.5%	75.8%	69.2%	52.6%	52.1%
18	39.4%	38.8%	37.8%	50.9%	46.8%	24.0%	28.0%	38.4%
19	25.1%	33.1%	28.4%	32.1%	36.8%	31.3%	16.3%	24.8%
20	51.3%	48.2%	48.1%	54.4%	55.7%	47.0%	32.3%	32.4%
21	44.3%	26.5%	32.3%	43.3%	37.0%	30.9%	34.2%	27.2%
22	53.0%	51.6%	46.3%	58.1%	53.0%	39.5%	18.7%	22.7%
13	57.9%	37.8%	45.5%	43.5%	51.0%	46.5%	31.6%	35.0%
14	23.0%	27.1%	25.4%	37.9%	31.4%	19.0%	30.7%	17.3%

Service Type: Radiology
Enrollee Type: Post
Age Group: Under 65

FY04 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	23.7%	15.3%	14.1%	39.6%	42.8%	12.7%	11.8%	9.3%
2	22.2%	18.4%	19.6%	31.5%	32.8%	10.3%	8.6%	6.5%
3	20.6%	11.9%	12.6%	26.3%	31.5%	9.6%	8.2%	8.2%
4	32.5%	15.7%	13.5%	23.4%	29.0%	18.1%	6.4%	14.4%
5	20.0%	10.6%	18.5%	43.5%	41.7%	6.1%	3.8%	15.7%
6	23.9%	16.3%	21.5%	39.5%	60.2%	18.1%	13.5%	10.6%
7	30.6%	27.5%	22.9%	43.8%	50.3%	35.9%	11.1%	20.5%
8	42.0%	35.8%	29.4%	46.4%	45.1%	25.0%	14.3%	14.8%
9	26.3%	26.7%	23.6%	44.4%	55.5%	14.0%	18.0%	19.8%
10	23.3%	28.0%	25.5%	36.3%	21.8%	7.7%	16.0%	9.6%
11	14.8%	15.0%	15.8%	37.7%	28.1%	18.4%	8.8%	11.5%
12	22.3%	13.2%	17.4%	48.4%	32.5%	10.2%	9.7%	7.3%
15	30.1%	21.4%	34.8%	29.7%	36.7%	19.1%	10.2%	11.1%
16	34.7%	29.8%	19.3%	39.7%	39.3%	13.9%	20.1%	22.5%
17	35.0%	29.5%	28.8%	40.4%	51.5%	18.0%	18.1%	25.2%
18	45.2%	50.3%	37.6%	53.8%	55.7%	31.9%	15.9%	22.6%
19	31.4%	19.4%	21.6%	41.5%	40.3%	14.8%	12.8%	16.9%
20	31.3%	39.0%	36.1%	49.5%	38.5%	13.8%	11.2%	14.6%
21	40.4%	39.4%	25.2%	42.2%	40.4%	20.8%	14.9%	10.9%
22	41.5%	31.8%	43.7%	43.5%	72.7%	17.4%	18.7%	15.8%
23	37.9%	25.1%	19.0%	30.7%	31.9%	8.4%	10.5%	15.2%

FY03 ELDA Factors

VISN	Priority							
	1	2	3	4	5	6	7a	7c
1	53.6%	52.7%	59.4%	62.5%	60.5%	59.4%	31.1%	30.9%
2	60.3%	59.2%	59.8%	60.4%	65.6%	54.9%	43.1%	42.0%
3	53.5%	55.0%	58.5%	57.2%	59.0%	48.9%	38.6%	35.5%
4	42.1%	28.1%	36.8%	33.0%	42.2%	45.6%	8.5%	10.4%
5	69.7%	61.8%	70.7%	64.6%	66.9%	72.5%	39.8%	47.4%
6	76.1%	75.9%	77.9%	77.7%	75.7%	74.8%	45.8%	46.9%
7	37.4%	43.4%	34.5%	38.4%	39.7%	36.8%	17.0%	18.4%
8	64.5%	69.5%	63.2%	66.9%	71.3%	66.5%	46.4%	44.6%
9	78.0%	77.3%	82.9%	70.2%	72.7%	76.1%	65.9%	52.7%
10	71.0%	65.3%	58.2%	60.7%	59.8%	55.4%	31.9%	31.5%
11	69.2%	66.6%	59.9%	56.9%	61.3%	63.0%	55.9%	51.1%
12	59.0%	46.8%	56.9%	54.6%	53.9%	51.3%	29.5%	30.4%
15	72.9%	67.3%	73.8%	64.0%	72.4%	70.3%	43.0%	38.7%
16	61.1%	58.8%	53.7%	45.4%	60.3%	62.4%	35.2%	38.6%
17	75.8%	74.6%	70.5%	69.5%	85.2%	83.8%	58.0%	59.9%
18	56.4%	47.6%	54.9%	55.6%	57.5%	42.8%	44.8%	49.3%
19	55.3%	62.0%	54.0%	53.6%	61.4%	54.6%	32.7%	31.6%
20	65.7%	55.5%	47.2%	59.6%	60.1%	56.2%	31.0%	32.8%
21	70.3%	49.1%	59.1%	60.2%	58.2%	59.7%	42.1%	37.7%
22	76.5%	73.8%	75.3%	74.6%	74.4%	65.1%	36.6%	37.9%
13	72.6%	60.7%	61.2%	43.3%	54.9%	48.7%	31.1%	38.5%
14	68.0%	67.1%	63.1%	62.8%	61.8%	53.7%	39.8%	34.3%

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Exhibit III-3-2
FY04 Reliance Analysis
Markets Most Impacted by Market Adjustments to Reliance Factors

Most Decreased Markets - Inpatient

	Market	Name
1.	8-e-1	V08_Central_Sub_East
2.	17-b-9	V17_North_Texas_Sub_All_Other
3.	16-b-9	V16_Eastern_Southern
4.	8-a-2	V08_Gulf_Sub_South
5.	2-c-1	V02_Finger_Lakes/Southern_Tier_Sub_Finger_Lakes
6.	18-b-2	V18_New_Mexico/West_Texas_Sub_South
7.	17-b-3	V17_North_Texas_Sub_Denton
8.	11-c-2	V11_Michigan_Sub_Western_Michigan
9.	9-a-2	V09_Central_Sub_2
10.	3-c-9	V03_VA_New_Jersey
11.	17-b-4	V17_North_Texas_Sub_Collin
12.	20-e-2	V20_Inland_North_Sub_2
13.	8-b-1	V08_Atlantic_Sub_North
14.	21-b-9	V21_North_Valley
15.	2-c-2	V02_Finger_Lakes/Southern_Tier__Sub_Southern_Tier

Most Decreased Markets - Outpatient

	Market	Name
1.	20-e-2	V20_Inland_North_Sub_2
2.	17-d-2	V17_Valley-Coastal_Bend_Sub_Lower_Rio_Grande_Valle
3.	16-b-9	V16_Eastern_Southern
4.	17-b-3	V17_North_Texas_Sub_Denton
5.	18-b-2	V18_New_Mexico/West_Texas_Sub_South
6.	8-a-2	V08_Gulf_Sub_South
7.	21-c-9	V21_Hawaii
8.	17-b-5	V17_North_Texas_Sub_Smith
9.	9-a-2	V09_Central_Sub_2
10.	17-b-9	V17_North_Texas_Sub_All_Other
11.	20-e-1	V20_Inland_North_Sub_1
12.	23-a-9	V23_North_Dakota
13.	17-b-4	V17_North_Texas_Sub_Collin
14.	17-d-1	V17_Valley-Coastal_Bend_Sub_Coastal_Bend
15.	4-a-1	V04_Eastern_Sub_Central

Most Increased Markets - Inpatient

	Market	Name
1.	21-g-9	V21_Pacific_and_Overseas
2.	16-a-1	V16_Central_Lower_Sub_Harris
3.	19-b-9	V19_Grand_Junction
4.	10-c-9	V10_Western
5.	3-b-3	V03_VA_Metro_New_York_Sub_VA_Southeast_Metro_New_Y
6.	2-d-9	V02_Western
7.	20-a-9	V20_Alaska
8.	8-d-9	V08_Puerto_Rico
9.	11-b-9	V11_Indiana
10.	17-b-1	V17_North_Texas_Sub_Dallas
11.	7-b-9	V07_Georgia
12.	17-c-9	V17_Southern
13.	18-b-1	V18_New_Mexico/West_Texas_Sub_North
14.	18-a-9	V18_Arizona
15.	20-c-9	V20_Inland_South_Idaho

Most Increased Markets - Outpatient

	Market	Name
1.	21-g-9	V21_Pacific_and_Overseas
2.	19-b-9	V19_Grand_Junction
3.	17-a-9	V17_Central_Sub_All_Other
4.	20-b-1	V20_South_Cascades_Sub_1
5.	2-c-1	V02_Finger_Lakes/Southern_Tier_Sub_Finger_Lakes
6.	3-b-3	V03_VA_Metro_New_York_Sub_VA_Southeast_Metro_New_Y
7.	2-d-9	V02_Western
8.	18-b-1	V18_New_Mexico/West_Texas_Sub_North
9.	21-e-9	V21_Sierra_Nevada
10.	16-a-1	V16_Central_Lower_Sub_Harris
11.	23-c-9	V23_South_Dakota
12.	8-d-9	V08_Puerto_Rico
13.	17-c-9	V17_Southern
14.	22-a-1	V22_California_Sub_Inland
15.	9-c-2	V09_Northern_Sub_2

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Exhibit III-3-3
FY 2002 Stop Codes Excluded From VA Ambulatory Service Lines

PrimaryStopCode	HSC	Stop Code Name	Workload Description
103	195	TELEPHONE TRIAGE	Telephone Care
118	193	HOME TRTMT SVCS	Excluded Workload
119	193	CNH FOLLOW-UP	Excluded Workload
121	107	RESID CARE-NON MH	MHSDP Community MH Residential Care
147	195	PHONE/ANCILLARY	Telephone Care
148	195	PHONE/DIAGNOSTIC	Telephone Care
160	193	CLINICAL PHARM	Excluded Workload
163	190	CHAPLAIN-CLIN SVC IND	Chaplain
164	190	CHAPLAIN-CLIN SVC GRP	Chaplain
165	191	BEREAVE. COUNSEL	Dependent Care
166	190	CHAPLAIN-IND	Chaplain
167	190	CHAPLAIN-GROUP	Chaplain
168	190	CHAPLAIN COLLATERAL	Chaplain
169	195	TELEPHONE/CHAPLAIN	Telephone Care
170	101	HBPC PHYSICIAN	HBPC
171	101	HBPC-RN/RNP/PA	HBPC
172	101	HBPC-NURSE EXTEND	HBPC
173	101	HBPC-SOCIAL WORK	HBPC
174	101	HBPC-THERAPIST	HBPC
175	101	HBPC DIETICIAN	HBPC
176	101	HBPC-CLIN PHARMACY	HBPC
177	101	HBPC-OTHER	HBPC
178	195	TELEPHONE/HBHC	Telephone Care
179	195	TELE HOME CARE	Telephone Care
180	192	DENTAL	Dental
181	195	TELEPHONE/DENTAL	Telephone Care
190	101	ADULT DAY HEALTH	HBPC
202	196	REC THERAPY SERVICES	Recreational Therapy
215	193	SCI HOME PROGRAM	Excluded Workload
216	195	PHONE REHAB SUPP	Telephone Care
324	195	PHONE MEDICINE	Telephone Care
325	195	PHONE NEUROLOGY	Telephone Care
326	195	PHONE GERIATRICS	Telephone Care
351	193	ADV ILL COORD (AICC)	Excluded Workload
424	195	PHONE SURGERY	Telephone Care
425	195	TELE/PROSTH/ORTH	Telephone Care
428	195	TELEPHONE OPTOMETRY	Telephone Care
451	193	451-LOCAL CREDIT PAIR	Excluded Workload
452	193	452-LOCAL CREDIT PAIR	Excluded Workload
453	193	453-LOCAL CREDIT PAIR	Excluded Workload
454	193	SPECIAL REGISTRY 5	Excluded Workload
455	193	455-LOCAL CREDIT PAIR	Excluded Workload
456	193	SPECIAL REGISTRY 6	Excluded Workload
459	193	SPECIAL REGISTRY 8	Excluded Workload
460	193	460-LOCAL CREDIT PAIR	Excluded Workload
461	193	SPECIAL REGISTRY 1	Excluded Workload
462	193	462-LOCAL CREDIT PAIR	Excluded Workload

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Exhibit III-3-3 (cont.)

PrimaryStopCode	HSC	Stop Code Name	Workload Description
463	193	463-LOCAL CREDIT PAIR	Excluded Workload
467	193	467-LOCAL CREDIT PAIR	Excluded Workload
469	193	SPECIAL REGISTRY 2	Excluded Workload
470	193	SPECIAL REGISTRY 3	Excluded Workload
473	193	473-LOCAL CREDIT PAIR	Excluded Workload
474	193	RESEARCH	Excluded Workload
475	193	475-LOCAL CREDIT PAIR	Excluded Workload
477	193	477-LOCAL CREDIT PAIR	Excluded Workload
481	193	481-LOCAL CREDIT PAIR	Excluded Workload
485	193	485-LOCAL CREDIT PAIR	Excluded Workload
503	107	MEN HLTH RESID CARE	MHSDP Community MH Residential Care
505	102	Day Trmt-Ind	MHSDP Day Treatment Program
522	103	HUD-VASH	MHSDP Homeless Program
523	104	OPOID SUSTITUTION	MHSDP Methadone Treatment Program
527	194	PHONE GENERAL PSYCH	MH Telephone Care
528	194	PHONE/HMLESS MENT ILL	MH Telephone Care
529	103	HCHV/HMI	MHSDP Homeless Program
530	194	TELEPHONE/HUD-VASH	MH Telephone Care
535	106	MH Vocat Assist	MHSDP Work Therapy Program
536	194	TELE/MH VOC ASSIST	MH Telephone Care
537	194	TELE PSYC/SOC REHAB	MH Telephone Care
542	194	TELEPHONE PTSD	MH Telephone Care
545	194	TELE SUBSTANCE ABUSE	MH Telephone Care
546	194	TELEPHONE/MHICM	MH Telephone Care
552	105	Mental Health Int (MHICM)	MHSDP MHICM Program
553	102	Day Trmt-Grp	MHSDP Day Treatment Program
573	106	MH Incent Wk Ther-Grp	MHSDP Work Therapy Program
574	106	MH Comp Wk Ther-Grp	MHSDP Work Therapy Program
575	106	MH Vocat Assist-Grp	MHSDP Work Therapy Program
579	194	TEL/PSYCHOGERIATRICS	MH Telephone Care
581	102	PTSD Day Treat	MHSDP Day Treatment Program
590	103	COMM OUTR HMLS-STAFF	MHSDP Homeless Program
611	193	TELEPHONE DIALYSIS	Excluded Workload
650	193	CONTRACT NH DAYS	Excluded Workload
656	193	DOD NON-VA CARE	Excluded Workload
670	193	ASSIST LIVING VHA-PAID STAFF	Excluded Workload
680	193	HOME/COMM ASSESS	Excluded Workload
681	193	VA-PD HOME/COMM HC	Excluded Workload
682	193	VA-REF HOME/COMM CARE	Excluded Workload
725	193	DOM OUTREACH SERVICE	Excluded Workload
726	193	DOM AFTERCARE COMMUN	Excluded Workload
727	193	DOM AFTERCARE-VA	Excluded Workload
728	193	DOM ADMIT/SCREEN SVC	Excluded Workload
729	195	TELEPHONE/DOMICILIARY	Telephone Care
801	193	IN-VISN OTHER VAMC 2-103	Excluded Workload

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Exhibit III-3-4

Mapping of VA Benefit Categories to Health Service Categories (HSC)

VA Benefit	VA Benefit Description	Reliance Category (HSC)
INPATIENT HOSPITAL		
1	Medical	IP Medical
2	Surgical	IP Surgical
3	Psychiatric	IP Psych
4	Substance Abuse	IP SA
5	Substance Abuse	IP Surgical
6	Maternity Non-Deliveries	IP Surgical
7	HI SNF/ECF (non-acute)	IP Medical
AMBULATORY		
18	Allergy Immunotherapy	OP Other Procs
19	Allergy Testing	OP Other Procs
20	Anesthesia	OP Surgery
21	Cardiovascular	OP Cardiovascular
22	Consults	OP Other Visits
23	Emergency Room Visits	OP Emergency
25	Hearing/Speech Exams	OP Other Visits
26	Immunizations	OP Immunizations
28	Maternity Deliveries	IP Surgical
29	Maternity Non-Deliveries	IP Surgical
30	Misc. Medical	OP Other Procs
31	Office/Home Visits	OP OV/Urgent Care
32	Outpatient Psychiatric	OP Psych
33	Outpatient Substance Abuse	OP Psych
34	Pathology	OP Pathology
35	Physical Exams	OP Physical Exams
36	Physical Medicine	OP Physical Medicine
37	Radiology	OP Radiology
38	Surgery	OP Surgery
39	Sterilizations	OP Surgery
40	Therapeutic Injections	OP Other Procs
41	Urgent Care Visits	OP OV/Urgent Care
42	Vision Exams	OP Other Visits
54	Chiropractic	OP OV/Urgent Care
OTHER		
24	Glasses/Contacts	OP Other Visits
27	Hearing Aids	N/A*
43	Prescription Drugs	Prescription Drugs
45	Ambulance	OP ER Visits
46	Durable Medical Equipment	OP Surgery
47	Prosthetics	OP Surgery
55	VA Program Equipment and Services (Special VA DME codes)	N/A*
56	Compensation & Pension Exams	**

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Exhibit III-3-4 (cont.)

VA Benefit	VA Benefit Description	Reliance Category (HSC)
OUTPATIENT MENTAL HEALTH VA PROGRAMS		
57	Day Treatment	**
58	Homeless	**
59	Methadone Treatment	**
60	Mental Health Intensive Case Management (MHICM)	**
61	Work Therapy	**
62	Community MH Residential Care	**
SPECIAL VA PROGRAM BEDSECTION CARE		
9	Psychiatric Residential Rehab Treatment (PRRTP)	**
10	Blind Rehab (VA Model)	**
11	Spinal Cord Injury (VA Model)	**
12	PTSD Residential Rehab (PRRP)	**
13	Substance Abuse Residential Rehab Treatment (SARRT)	**
14	Homeless Chronic Ment Ill Comp Work Thrpy (HCMI CWT/TR)	**
15	Respite Care	N/A**
16	Residential Rehab Treatment	**
17	Sustained Treatment and Rehab (STAR I II III)	**

* No reliance adjustments were necessary for these categories.

** Reliance adjustments for these services are calculated separately. See Section IV for details.

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Exhibit III-3-5

Calculation of Market-Related Reliance Factors
Example

Market	Procedure Type	Priority	Weight	Number of Users	Actual Reliance	Modeled Reliance	Weight Adjusted Actual	Weight Adjusted Modeled
1-a-1	Cardio	1	0.267	20	0.300	0.380		
1-a-1	Cardio	7	0.267	90	0.170	0.150		
					0.194	0.192	0.052	0.051
1-a-1	OV	1	2.567	50	0.800	0.770		
1-a-1	OV	7	2.567	140	0.590	0.520		
					0.645	0.586	1.656	1.504
Subtotal							**0.603**	**0.549**
1-a-2	Cardio	1	0.267	40	0.400	0.380		
1-a-2	Cardio	7	0.267	65	0.100	0.150		
					0.214	0.238	0.057	0.063
1-a-2	OV	1	2.567	80	0.750	0.770		
1-a-2	OV	7	2.567	200	0.470	0.520		
					0.550	0.591	1.412	1.518
Subtotal							**0.518**	**0.558**

Notes:
Actual Reliance is from Data Match, with no credibility adjustments
Modeled Reliance is the credibility adjusted reliance factor by VISN, priority, etc.
Subtotals for Actual/Modeled reliance are weighted averages by number of users
Weight Adjusted Actual/Modeled equals Actual/Modeled subtotals x Weight

Reliance adjustments will be applied to each Market based on the actual vs. modeled numbers shown in bold

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Section III-4
Degree of Community Management

The Degree of Community Management (DoCM) assumptions have been assessed based on an analysis of FY 2000, FY 2001, and FY 2002 inpatient workload, as well as an update to the Milliman benchmark lengths of stay from the Milliman Hospital Length of Stay (LOS) Efficiency Index™. The results of the assessment were incorporated into the FY04 VA Enrollee Health Care Projection Model. Additionally, assumptions were made as to how VA management levels will change over time throughout the projection period.

Description of Health Care Management

Facility or County, Enrollee Type, Age Group, and Priority Level specific utilization benchmarks for each fiscal year of data were developed by applying Age/Gender and morbidity adjustments to the loosely managed private sector utilization averages for each locality. These utilization benchmarks were then adjusted to reflect the anticipated level of management achieved at the facilities within each VISN and market. The level of management is described in terms of the Degree of Community Management (DoCM) and the following definitions are standard definitions:

- Loosely Managed Model: reflects the utilization patterns that would result if physicians were paid on a fee-for service basis with no financial or other incentives to manage care within a specific community. The loosely managed benchmarks are equivalent to 0% DoCM, within our definitions.
- Well Managed Model: represents a health care system where the best observed practices are used to achieve the lowest utilization possible without compromising quality of care. The well managed benchmarks are equivalent to 100% DoCM, within our definitions. While there is no single "ideal" description of a well managed system, certain characteristics are common to very efficient health care systems, such as

    - Active use of treatment guidelines, such as the Milliman Care Guidelines™,
    - Programs to educate physicians on how to provide medical care more efficiently,
    - Financial incentives which reward providers for utilization management,
    - On-site utilization management of inpatient services,
    - The use of a primary care manager,

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- Telephonic nurse triage,
- Active use of physician assistants and nurse practitioners,
- Demand management programs that teach members when to seek medical assistance,
- Information systems that can support utilization monitoring efforts and provider incentive programs, and
- Active use of case managers to facilitate treatment of acute and chronically ill patients.

The well managed model represents a set of utilization levels that can be achieved by a single, well-run delivery system with the appropriate infrastructure. The Milliman Care Guidelines™ were used to establish the well managed private sector models used for this analysis.

The DoCM refers to the level of management achieved by VA facilities relative to these loosely managed and well managed utilization benchmarks. Again, the loosely managed utilization benchmark for each community is set at 0% DoCM and the well managed utilization benchmark is set at 100% DoCM. A negative DoCM occurs when VA has more potentially avoidable days, relative to well managed, than the loosely managed benchmarks.

Methodology

Inpatient Length of Stay

The inpatient utilization benchmarks developed for this study are based on the Milliman Hospital LOS Efficiency Index™. This represents individual case-by-case benchmark LOS reflecting the All Patient Refined DRG[5] (APR-DRG) by severity and further reflecting the actual diagnoses, procedures, admission source and discharge disposition of each admission. A benchmark LOS is established for each admission reflecting these variables and the statistically determined benchmarks from the LOS Efficiency Index™. Avoidable days are then calculated by comparing the actual LOS to the benchmarks. These are then compared to avoidable day levels on a VISN or market basis.

[5] All copyrights in and to APR-DRGs are owned by 3M. All rights reserved.

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Background Description of the LOS Efficiency Index™

The LOS Efficiency Index™ represents statistical/actuarial methodologies for analyzing hospital inpatient admissions, LOS and days, as compared to benchmark most efficient practices, in order to estimate potentially avoidable inpatient hospital days. The primary objective of the LOS Efficiency Index™ is to compare any set of given inpatient hospital experience to the equivalent case mix and severity adjusted most efficient practice found anywhere in the U.S. The results are all indexed to this common benchmark (most efficient practice) to determine potentially avoidable days and to readily allow direct comparisons on a consistent basis.

The methods used are statistical, not clinical, in nature, with clinical input on appropriate aspects, and actuarial judgment to produce reasonable and usable results. The LOS Efficiency Index™ results report potentially avoidable days, but these results do not mean that the estimated avoidable days are inappropriate. Rather the results mean that, as adjusted for case-mix, severity, diagnoses, procedures and other statistical variables, these potentially avoidable days are in excess of benchmark levels. These excess levels can result because of less effective treatment patterns while in the hospital or because disease management practices for chronic diseases are not implemented by providers or not adhered to by patients and thus result in longer lengths of stay than in the benchmark hospitals. Days at the end of an appropriate admission could be potentially avoidable (but necessary) because recovery is delayed due to a delay in scheduling a surgical procedure or other delays in the treatment process.

Separate hospital efficiency models are developed for Medicare inpatient care (Medpar data based on UB-92 information), and Commercial (HMO, PPO, indemnity) and Medicaid admissions using public data from 19 states.

There is also a Milliman developed Admission Appropriateness Index™, used to determine potentially avoidable admissions within specialty and by DRG. The avoidable admissions are also converted to avoidable days. However, due the reliance, VA's mission and other VA specific issues it is difficult to analyze a full picture of admissions (many admissions provided to enrollees may be in non-VHA facilities). Without a full picture it is impossible to assess which admissions were appropriate and which were avoidable; consequently, this index has not been used for VA analysis at this time.

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VA Inpatient LOS DoCM Analysis Basis

In analyzing VA experience for this calculation, the Medicare models were selected for two main reasons. First, approximately 46% of the VA cases had a patient Age 65 and Over. Second, the high percentage of disabled enrollees and the high percentage of psychiatric and substance abuse admissions is more characteristic of a Medicare disabled population. The combination of these two factors makes the VA data set much more similar to a Medicare population than a commercial population. Furthermore, many of the commercial benchmark utilization models for the ages 50 and over population, where the disease and diagnoses are similar to those of the over age 65 population (e.g., heart and other chronic diseases) are similar to the Medicare models. In fact, an early comparison of the VA's percentage avoidable days under both the commercial and Medicare models produced similar results. Therefore, the use of the Medicare models appeared to be appropriate. Of course, all of the analyses reflect the actual case-mix and severity of the VA admissions.

Data Adjustments

Several adjustments were made to the VA inpatient workload to make the data more usable and appropriate:

- Reassigning the VA discharge status to: Discharged home (VA disposition code = 0-4), or Transferred to another facility (VA disposition code = 5), or Died (VA disposition code = 6, 7)
- Reassigning admissions with no age or gender to aged 60, male. The age 60 was selected consistent with the VA age distribution, but it has minimal impact on the results.

In performing the efficiency analysis, the results for the 3M APR-DRG Grouper were used. The efficiency analysis used 528,028 of the 573,522 records (≈92%). The remaining records were not included in the analysis for one of the following reasons:

- Early death and transfers (which are excluded from the models) – 2.0%
- High LOS outlier (which are excluded from the models) – 1.5%
- Low volume DRGs with no models – 1.5%

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- Unusable Discharges (i.e. left against medical advice, still a patient, unknown) – 2.6%
- LTC Psych – 0.3%

Inpatient LOS DoCM Results for FY 2002

The LOS efficiency analysis results are based on a case-by-case analysis of the LOS in excess of the benchmark LOS for each admission reflecting VA's actual case-mix and severity. Admissions appropriateness models were not incorporated into the analysis. In aggregate over the entire VA population, 45.4% of total FY 2002 VA days are in excess of the well managed benchmark LOS. For medical/surgical days, VA days in excess of the benchmark LOS are 42.5%. This implies that if VA could operate at the most efficient levels, 45.4% of the days (and 42.5% of medical/surgical days) could potentially be avoided. Alternate levels of care may be necessary to accomplish these targets, however.

The underlying loosely managed utilization benchmarks vary dramatically by geographic area. Managed care penetration and time impact fee-for-service utilization since providers who contract with managed care organizations learn to manage care for all of their patients, not just those covered by managed care plans. For example, the loosely managed utilization benchmarks in the Pacific Northwest, where significant managed care penetration has existed for several decades, are much lower than the loosely managed utilization benchmarks in the East, where managed care is a newer concept.

The DoCM measures the ratio of VA's days avoidable in an area to the community loosely managed average days avoidable based on VA's mix of services. In every VISN, VA is operating less efficiently than the community-wide norms. In all but two of the 103 markets, the same is true. The nationwide VA DoCM is –24.4%. This does not mean VA utilization is 24.4% worse than the loosely managed benchmarks. It means that on the continuum of health care management within a community, where 0% is loosely managed and 100% is well managed, VA is 24.4% outside of the continuum.

VISN 23 produced some of VA's most efficient results compared to the VA nationwide percentage of avoidable days. However, VISN 23 results are less efficient than the community average. VISN 3, on the other hand, produced some of VA's most inefficient results. When compared to their community average, however, VISN 3 has the most efficient DoCM. In

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general, VA's DoCM was closer to community norms in less efficient areas as measured by the LOS Efficiency Index™. This is shown in the exhibits.

Exhibit III-4-1 shows the DoCM results for FY 2002 by VISN. Exhibit III-4-2 shows the same results as Exhibit III-4-1 by CARES market. Exhibit III-4-3 shows the percent of days avoidable for VA and the community along with the DoCM results for FY 2002 by VISN. Exhibit III-4-4 shows the same results as Exhibit III-4-3 by CARES market.

It was assumed that the DoCM for admissions is two-thirds of the way from the VISN or market LOS DoCM to the 0% DoCM. This reflects an assumption that VA admissions policies more closely resemble loosely managed community admissions policies than VA length of stay policies resemble loosely managed community length of stay policies.

Historic Changes in Inpatient LOS DoCM for FY 2000, FY 2001 and FY 2002

The FY 2000 and FY 2001 inpatient workload data were reanalyzed using the FY 2002 VA case mix to examine changes in DoCM over the historic period. The revised FY 2000 and 2001 DoCM measures for each VISN and market were compared to the FY 2002 DoCM measures for each VISN and market. Nationally, the DoCM worsened slightly from –22.7% in FY 2001 to –24.4% in FY 2002, on a case adjusted basis. However, there is still a net improvement in DoCM over the two year period. The FY 2000 data produced a total DoCM of –26.3%, on a case mix adjusted basis. Thus, the efficiency analysis indicates that management levels have not generally improved over the past couple years.

In addition, the DoCM values used in the VA Enrollee Health Care Projection Model also reflect shifts in case mix over time. Another consideration in the revision of DoCM assumptions for use with the VA Enrollee Health Care Projection Model is the change in case mix, witnessed when comparing the FY 2001 inpatient workload to the FY 2002 inpatient workload. The influx of Priority Level 7 veterans into the FY 2002 workload, as well as other population changes, produced a shift in the severity of inpatient stays within VA. This severity shift had a measurable impact on the percentage of inpatient days deemed avoidable within the VA workload, as well as the levels of DoCM generated in the comparative analysis.

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The following observations were made about the differences between the FY 2001 and FY 2002 workload datasets:

- A big increase in the percentage of cases (over 10%) came from the Enrollee Post cohort and a corresponding decrease was witnessed in the Enrollee Pre cohort. The Enrollee Post cohort typically is less morbid and thus has less severe admissions on average.
- A 2% drop in cases came from Priority Level 4 patients with a nearly offsetting increase in Priority Levels 5 to 7. This shift also contributes to a shift toward less severe admissions, on average.

As a result of these observations, the average reported percentage of APR-DRG severity level 1 and 2 cases increased from 77.4% of all cases in FY 2001 to 81.45% of all cases in FY 2002. Overall, the APR-DRG severity 1 and 2 cases have a higher percentage of avoidable days than the APR-DRG severity 3 and 4 cases, so a shift to APR-DRG severity 1 and 2 cases will increase the percentage of days deemed avoidable, with all other variables held constant. An increase in the percentage of days avoidable in general leads to a worsening of the DoCM statistic, assuming the benchmark percentage of days avoidable does not change considerably for those APR-DRG and severity levels.

An ongoing trend of increasing percentages of veterans in Priority Levels with less severe inpatient admissions, on average, would continue to dampen any improvements in DoCM assumed throughout the projection period. This issue is addressed in the next section.

Inpatient Management Improvements Beyond FY 2002

It is believed that the efficiency performance within a hospital tends to remain relatively unchanged over time, unless specific efforts are made to change it. This could result from hospital-wide reengineering programs, where a hospital specifically embarks on a program to improve its overall performance. Alternatively it can improve by adoption of a new technology (such as laparoscopic surgeries), or from new directors or high volume practitioners joining a staff service (such as orthopedics) and introducing more efficient techniques that they have used or observed elsewhere.

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A key question in projecting future VA experience over time is how the DoCM, or LOS efficiency, will vary over time relative to the national average, and to overall community fee-for-service experience. Since, in general, VA exhibits less efficiency than the national and community averages, the expectation is that the gap will likely close over the long term. However, whether or not this will occur, and at what rate, are key assumptions to cost models associated with the VA Enrollee Health Care Projection Model.

In past versions of the VA Enrollee Health Care Projection Model, it had been assumed that each VISN would move 25% of the way toward the community loosely managed system each year. This assumption was predicated on the fact that measures of DoCM in historic periods were in general less than the community and that medical practice within VA would migrate toward the community averages. Past assessments of historic VA inpatient workload supported this trend. However, the results of this year's analysis show that this assumption may be too aggressive. DoCM figures do not appear to have improved over the historic period of FY 2000, FY 2001 and FY 2002 bringing into question the 25% assumption.

Besides the historic analysis, a couple of other considerations have initiated the new assumptions used in the FY04 VA Enrollee Health Care Projection Model. It is now assumed that no improvements in DoCM would take place in the first two projection years (i.e., FY 2003 and FY 2004) and a more modest 10% improvement each year for FY 2005 and beyond.

One consideration is the impact that case mix has on DoCM improvements. Case mix is shifting towards a higher percentage of cases in APR-DRG severities 1 and 2. These cases typically have more potentially avoidable days than APR-DRG severity 3 and 4 cases. Thus, a shift in case mix weighted towards cases in APR-DRG severities 1 and 2 over time results in a barrier to aggressively improving DoCM assumptions throughout the projection period, when DoCM is considered on a composite basis.

Additionally, improvements in DoCM will not typically occur unless new protocols are introduced. There is considerable opportunity to improve the DoCM figures into the future given the current levels. This was the rationale for past improvements at 25% per year in inpatient DoCM, however, historic analysis has not shown improvements in FY 2002. It is acknowledged that improvement will be slow to occur unless a new initiative to reduce LOS is

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introduced. Currently, no such initiatives currently exist and therefore, the DoCM assumptions have been changed to reflect VA's current environment.

Inpatient Maternity and Ambulatory Care DoCM Assumptions

For each fiscal year, Inpatient Maternity services were modeled at 0% DoCM. Because VHA facilities are buying these services from the private sector community, it is reasonable to assume that they will be provided at a management level consistent with community norms.

For this analysis, there was no data available to establish the current level of management achieved within VA for Ambulatory Care. Veteran enrollees often utilize VA health care as well as another health care source, such as Medicare. As a result, VA workload data for Ambulatory Care does not reflect all of the care demanded by veteran enrollee patients. This means that the workload data cannot provide adequate information for an ambulatory management analysis, as it represents only a portion of the total care for each veteran enrollee. In light of this, VA could consider conducting a specific clinical review analysis that would collect data relevant to assessing Ambulatory care management levels. It was assumed that VA's actual utilization during FY 1999 was at the community loosely managed level. This is was considered to be a reasonable assumption since practice patterns within VA are not perceived to be as efficient as the community. Yet, this is offset by the fact that much of the care that should be delivered on an outpatient basis was still delivered on an inpatient basis. Consequently, the model assumed a 5% DoCM for FY 2002 and a 0.5% improvement each fiscal year thereafter. These levels should be achievable within these timeframes.

It is also important to note that the difference between loosely and well managed utilization levels for outpatient care tend to be much smaller than inpatient services. The days that can potentially be avoided in each inpatient stay create a large difference between loosely and well managed inpatient utilization levels. For outpatient services, a proportionally smaller amount of the utilization is avoidable or unnecessary. Also, some outpatient services increase in a well managed system as care is transferred from an inpatient to an outpatient setting. Finally, the cost per inpatient day is significantly higher than the average cost per outpatient service. This means that changes in inpatient management from loosely to well managed have a tremendous impact on total health care expenditures (each inpatient day avoided can reduce expenditures by a considerable amount).

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Exhibit III-4-1
Summary of FY 2002 DoCM by VISN

VISN	Medical	Surgical	Psychiatric	Substance Abuse	Total
1	-27.4%	-54.0%	-6.6%	21.4%	-16.6%
2	-13.5%	-30.3%	24.6%	-0.4%	-7.0%
3	-4.6%	-30.2%	15.5%	-13.7%	-5.4%
4	-21.0%	-68.7%	-0.2%	-29.4%	-21.2%
5	-52.9%	-99.6%	5.8%	-47.4%	-40.7%
6	-40.2%	-68.3%	-24.8%	-19.1%	-37.6%
7	-21.9%	-53.3%	-21.4%	-11.3%	-27.1%
8	-53.7%	-87.7%	7.2%	18.8%	-45.1%
9	-24.4%	-64.8%	-2.8%	8.8%	-24.1%
10	-37.8%	-109.3%	-8.3%	-19.7%	-34.6%
11	-24.1%	-64.7%	-8.5%	-8.4%	-23.9%
12	-37.9%	-83.2%	-9.1%	0.8%	-35.9%
15	-35.9%	-67.6%	-6.5%	-15.7%	-30.5%
16	-31.1%	-66.6%	2.1%	2.1%	-26.7%
17	-43.9%	-87.5%	-4.6%	-53.9%	-42.8%
18	-31.2%	-93.4%	-8.4%	-53.4%	-41.3%
19	-89.6%	-82.8%	-25.8%	-21.4%	-56.6%
20	-89.8%	-105.5%	-6.8%	-4.2%	-49.3%
21	-30.1%	-65.6%	-21.4%	-46.0%	-38.8%
22	-19.1%	-74.1%	3.6%	-53.9%	-28.9%
23	-42.2%	-56.2%	15.8%	5.5%	-28.5%
Total	-28.2%	-63.6%	0.9%	-5.2%	-24.4%

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Exhibit III-4-2
Summary of FY 2002 DoCM by Market

Market	Medical	Surgical	Psychiatric	Substance Abuse	Total
1-a-9	-24.0%	-59.4%	-1.2%	17.9%	-13.0%
1-b-9	-47.3%	-37.0%	-21.3%	-43.0%	-35.0%
1-c-9	-8.4%	-32.1%	13.8%	24.0%	-3.2%
1-d-9	-38.7%	-70.0%	-19.6%	23.5%	-26.9%
2-a-9	-14.4%	-35.0%	31.7%	0.2%	-9.1%
2-b-9	-6.1%	-25.1%	23.6%	-2.7%	-6.3%
2-c-1	-13.7%	-42.0%	19.4%	0.0%	2.9%
2-c-2	-20.2%	-48.0%	13.5%	2.5%	-11.3%
2-d-9	-16.4%	-33.2%	30.6%	1.4%	-7.8%
3-a-9	8.2%	-18.2%	13.6%	-8.0%	2.3%
3-b-1	-6.4%	-22.9%	23.0%	-18.4%	-1.7%
3-b-3	-4.0%	-36.2%	16.2%	-9.4%	-6.1%
3-c-9	-10.9%	-32.2%	6.4%	-26.0%	-11.8%
4-a-1	-12.8%	-73.5%	7.4%	-11.3%	-10.4%
4-a-9	-32.4%	-67.3%	-12.3%	-60.9%	-34.0%
4-b-9	-18.4%	-76.6%	4.5%	9.5%	-18.9%
5-a-9	-67.4%	-141.6%	11.7%	-197.9%	-58.2%
5-b-9	-77.7%	-116.2%	-5.2%	-12.0%	-59.6%
5-c-9	-30.3%	-74.1%	-3.2%	1.4%	-25.5%
6-a-9	-16.9%	-90.8%	-33.8%	-31.8%	-36.8%
6-b-9	-30.2%	-76.2%	-24.7%	-42.4%	-37.8%
6-c-9	-42.3%	-67.0%	-10.3%	-13.9%	-34.4%
6-d-9	-80.8%	-42.2%	-38.5%	-16.2%	-49.6%
7-a-9	-40.7%	-58.9%	-15.7%	-45.5%	-35.3%
7-b-9	-28.3%	-66.0%	-27.3%	-1.6%	-33.1%
7-c-9	-5.1%	-40.8%	-27.5%	-2.7%	-17.2%
8-a-1	-81.5%	-159.8%	10.1%	-15.7%	-73.4%
8-a-2	-81.9%	-177.5%	-7.2%	19.0%	-77.9%
8-b-1	-49.5%	-83.1%	26.6%	-5.8%	-37.4%
8-b-2	-16.7%	-63.6%	25.3%	18.5%	-12.3%
8-c-1	-9.0%	-85.8%	26.4%	10.3%	-27.6%
8-c-2	-29.4%	-52.2%	22.7%	12.3%	-26.2%
8-d-9	-54.0%	-76.3%	2.0%	-7.3%	-49.3%
8-e-1	-43.8%	-55.5%	-59.7%	-86.6%	-53.7%
8-e-2	-32.9%	-90.8%	-21.7%	-66.4%	-46.2%
9-a-1	-24.7%	-82.4%	-6.5%	-50.9%	-33.2%
9-a-2	-88.1%	-128.8%	-41.4%	-61.9%	-70.9%
9-b-9	-42.3%	-99.2%	-8.8%	-43.3%	-44.8%
9-c-1	-36.1%	-69.4%	30.3%	37.5%	-23.3%
9-c-2	-11.9%	-58.5%	2.7%	-9.6%	-20.9%
9-d-9	-11.2%	-45.3%	-0.9%	30.9%	-11.2%
10-a-9	-58.8%	-133.7%	2.1%	-21.9%	-34.8%
10-b-9	-34.1%	-109.7%	-12.7%	-46.8%	-38.1%
10-c-9	-35.1%	-97.0%	-15.5%	6.3%	-33.3%

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Exhibit III-4-2 (cont.)

Market	*Medical*	*Surgical*	*Psychiatric*	*Substance Abuse*	*Total*
11-a-9	-55.2%	-82.6%	-23.1%	-4.2%	-47.4%
11-b-9	-23.6%	-50.0%	-32.4%	-20.7%	-31.9%
11-c-1	-28.0%	-86.4%	7.3%	5.5%	-15.0%
11-c-2	-54.6%	-100.5%	-13.2%	-67.8%	-37.4%
11-c-9	5.3%	-56.0%	-17.4%	2.5%	-16.0%
12-a-9	-44.5%	-64.9%	1.8%	2.9%	-36.1%
12-b-9	-95.0%	-72.1%	-30.0%	-14.9%	-66.5%
12-c-9	-31.5%	-97.3%	-7.1%	0.3%	-32.5%
15-a-9	-34.1%	-63.6%	5.8%	-14.9%	-22.5%
15-b-9	-42.4%	-76.6%	-17.0%	-16.5%	-39.7%
15-c-9	-24.1%	-55.9%	-19.7%	-23.6%	-29.2%
16-a-1	-32.2%	-63.2%	9.1%	10.8%	-27.1%
16-a-9	-42.5%	-87.5%	1.9%	-13.7%	-36.4%
16-b-9	-49.0%	-56.0%	-40.6%	-109.9%	-51.1%
16-c-9	-19.9%	-54.4%	1.0%	7.7%	-17.1%
16-d-9	-32.6%	-74.7%	7.6%	4.8%	-29.3%
17-a-1	-94.1%	-122.8%	0.0%	-60.4%	-63.9%
17-a-9	-109.9%	-148.2%	-12.4%	-233.8%	-84.1%
17-b-1	-31.9%	-102.7%	12.5%	-27.5%	-35.6%
17-b-2	-38.2%	-124.3%	-44.8%	-24.9%	-57.8%
17-b-3	-55.3%	-119.3%	-119.2%	-23.1%	-77.0%
17-b-4	-29.7%	-130.6%	-4.9%	-19.2%	-50.2%
17-b-5	-46.4%	-121.0%	-197.2%	-87.1%	-86.6%
17-b-9	-20.2%	-98.6%	-212.6%	-111.6%	-65.7%
17-c-9	-35.4%	-60.4%	1.6%	-72.8%	-33.2%
17-d-1	-26.2%	-39.6%	-23.0%	-74.5%	-35.2%
17-d-2	-2.6%	-26.7%	-10.5%	-51.2%	-14.3%
18-a-9	-66.9%	-169.2%	-9.8%	-47.5%	-65.5%
18-b-1	-22.4%	-66.2%	-1.7%	-74.3%	-33.5%
18-b-2	-34.5%	-67.8%	-28.5%	-98.8%	-48.6%
19-a-1	-83.0%	-89.2%	-315.8%	-116.7%	-125.9%
19-a-9	-67.4%	-122.3%	-21.4%	-22.1%	-47.9%
19-b-9	-169.9%	-161.5%	-123.7%	-218.4%	-160.5%
19-c-9	-126.0%	-100.8%	-83.6%	-67.9%	-107.3%
19-d-9	-80.5%	-63.0%	7.4%	-37.5%	-39.2%
19-e-9	-72.0%	-54.1%	-172.7%	-25.5%	-80.6%
20-a-9	-36.7%	-60.2%	-21.5%	-29.1%	-39.7%
20-b-1	-66.2%	-68.9%	-24.1%	-24.2%	-50.0%
20-b-2	-82.1%	-90.6%	-108.5%	-14.0%	-84.6%
20-c-9	-111.2%	-152.9%	-35.3%	-73.3%	-96.3%
20-d-9	-114.7%	-142.0%	8.5%	-1.3%	-41.3%
20-e-1	-112.2%	-94.3%	31.0%	14.3%	-56.5%
20-e-2	-129.8%	-124.8%	-216.9%	-44.8%	-133.8%
21-a-9	-27.8%	-65.4%	-13.7%	-44.5%	-35.6%
21-b-9	-35.4%	-61.7%	-96.6%	-92.4%	-64.3%
21-c-9	-12.3%	-35.0%	-11.9%	-4.1%	-14.6%
21-d-9	-34.9%	-76.8%	-31.0%	-97.3%	-51.5%
21-e-9	-48.9%	-165.9%	-1.6%	-45.5%	-66.9%
21-f-9	-46.1%	-85.6%	-21.6%	-1.4%	-50.9%
21-g-9	-26.7%	-33.1%	100.0%	100.0%	-26.4%

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Exhibit III-4-2 (cont.)

Market	*Medical*	*Surgical*	*Psychiatric*	*Substance Abuse*	*Total*
22-a-1	-9.6%	-77.0%	22.1%	-6.4%	-23.5%
22-a-2	-26.4%	-69.9%	9.9%	-40.5%	-27.0%
22-a-3	-28.1%	-92.4%	-6.2%	-42.0%	-37.0%
22-b-9	-18.2%	-85.0%	7.6%	-73.6%	-30.6%
23-a-9	-77.3%	-91.6%	11.0%	33.1%	-45.0%
23-b-9	-31.1%	-44.7%	34.2%	10.4%	-16.2%
23-c-9	-67.5%	-43.9%	8.7%	-22.1%	-40.6%
23-d-9	-20.9%	-79.6%	12.2%	-24.1%	-26.5%
23-e-9	-41.1%	-61.6%	-2.1%	11.9%	-35.1%
Total	-28.2%	-63.6%	0.9%	-5.2%	-24.4%

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Exhibit III-4-3

Summary of FY 2002 Percent Days Avoidable and DoCM by VISN

	Medical			*Surgical*			*Psychiatric*			*Substance Abuse*		
	% Days Avoidable (LOS)			*% Days Avoidable (LOS)*			*% Days Avoidable (LOS)*			*% Days Avoidable (LOS)*		
VISN	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*
1	35.8%	28.1%	-27.4%	43.9%	28.5%	-54.0%	57.9%	54.3%	-6.6%	45.3%	57.6%	21.4%
2	45.3%	39.9%	-13.5%	52.0%	39.9%	-30.3%	52.1%	69.1%	24.6%	53.9%	53.7%	-0.4%
3	48.0%	45.9%	-4.6%	54.3%	41.7%	-30.2%	60.5%	71.6%	15.5%	62.2%	54.7%	-13.7%
4	39.2%	32.4%	-21.0%	46.4%	27.5%	-68.7%	60.9%	60.8%	-0.2%	59.4%	45.9%	-29.4%
5	42.8%	28.0%	-52.9%	50.9%	25.5%	-99.6%	48.7%	51.7%	5.8%	51.6%	35.0%	-47.4%
6	43.6%	31.1%	-40.2%	48.8%	29.0%	-68.3%	54.4%	43.6%	-24.8%	61.8%	51.9%	-19.1%
7	39.5%	32.4%	-21.9%	46.3%	30.2%	-53.3%	54.4%	44.8%	-21.4%	53.4%	48.0%	-11.3%
8	45.8%	29.8%	-53.7%	51.8%	27.6%	-87.7%	42.8%	46.1%	7.2%	47.1%	58.0%	18.8%
9	38.2%	30.7%	-24.4%	46.8%	28.4%	-64.8%	48.4%	47.1%	-2.8%	51.6%	56.6%	8.8%
10	34.3%	24.9%	-37.8%	44.8%	21.4%	-109.3%	54.7%	50.5%	-8.3%	51.0%	42.6%	-19.7%
11	34.5%	27.8%	-24.1%	44.3%	26.9%	-64.7%	56.3%	51.9%	-8.5%	54.2%	50.0%	-8.4%
12	39.3%	28.5%	-37.9%	50.0%	27.3%	-83.2%	52.7%	48.3%	-9.1%	38.3%	38.6%	0.8%
15	37.5%	27.6%	-35.9%	42.9%	25.6%	-67.6%	52.6%	49.4%	-6.5%	53.2%	46.0%	-15.7%
16	43.8%	33.4%	-31.1%	49.8%	29.9%	-66.6%	55.3%	56.5%	2.1%	55.2%	56.4%	2.1%
17	43.9%	30.5%	-43.9%	51.0%	27.2%	-87.5%	52.3%	50.0%	-4.6%	61.1%	39.7%	-53.9%
18	32.8%	25.0%	-31.2%	43.9%	22.7%	-93.4%	48.8%	45.0%	-8.4%	58.9%	38.4%	-53.4%
19	34.5%	18.2%	-89.6%	45.7%	25.0%	-82.8%	54.1%	43.0%	-25.8%	61.8%	50.9%	-21.4%
20	31.7%	16.7%	-89.8%	41.3%	20.1%	-105.5%	51.6%	48.3%	-6.8%	52.5%	50.4%	-4.2%
21	35.4%	27.2%	-30.1%	47.2%	28.5%	-65.6%	58.4%	48.1%	-21.4%	65.1%	44.6%	-46.0%
22	38.0%	31.9%	-19.1%	50.5%	29.0%	-74.1%	50.5%	52.4%	3.6%	65.4%	42.5%	-53.9%
23	35.7%	25.1%	-42.2%	41.7%	26.7%	-56.2%	41.7%	49.5%	15.8%	45.0%	47.6%	5.5%
Unknown	43.1%	39.2%	-9.9%	42.9%	29.0%	-47.9%	45.9%	48.2%	4.8%	52.6%	49.2%	-6.9%
TOTALS	40.0%	31.2%	-28.2%	47.6%	29.1%	-63.6%	53.2%	53.7%	0.9%	54.7%	52.0%	-5.2%

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Exhibit III-4-4

Summary of FY 2002 Percent Days Avoidable and DoCM by Market

	Medical			*Surgical*			*Psychiatric*			*Substance Abuse*		
	% Days Avoidable (LOS)			*% Days Avoidable (LOS)*			*% Days Avoidable (LOS)*			*% Days Avoidable (LOS)*		
Market	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*
1-a-9	35.6%	28.7%	-24.0%	45.6%	28.6%	-59.4%	57.8%	57.1%	-1.2%	42.2%	51.4%	17.9%
1-b-9	40.2%	27.3%	-47.3%	44.1%	32.2%	-37.0%	61.5%	50.7%	-21.3%	53.2%	37.2%	-43.0%
1-c-9	28.5%	26.3%	-8.4%	36.2%	27.4%	-32.1%	45.0%	52.2%	13.8%	48.8%	64.2%	24.0%
1-d-9	38.7%	27.9%	-38.7%	45.4%	26.7%	-70.0%	61.5%	51.4%	-19.6%	51.5%	67.3%	23.5%
2-a-9	42.2%	36.9%	-14.4%	47.8%	35.4%	-35.0%	44.0%	64.4%	31.7%	48.3%	48.4%	0.2%
2-b-9	44.9%	42.3%	-6.1%	57.9%	46.3%	-25.1%	51.5%	67.4%	23.6%	61.1%	59.5%	-2.7%
2-c-1	40.6%	35.7%	-13.7%	51.7%	36.4%	-42.0%	63.3%	78.5%	19.4%	58.5%	58.5%	0.0%
2-c-2	45.3%	37.7%	-20.2%	47.5%	32.1%	-48.0%	59.1%	68.3%	13.5%	55.2%	56.6%	2.5%
2-d-9	48.3%	41.5%	-16.4%	48.6%	36.5%	-33.2%	47.1%	67.9%	30.6%	50.4%	51.1%	1.4%
3-a-9	44.9%	48.9%	8.2%	53.2%	45.0%	-18.2%	63.0%	72.9%	13.6%	63.5%	58.8%	-8.0%
3-b-1	48.3%	45.4%	-6.4%	53.1%	43.2%	-22.9%	60.2%	78.2%	23.0%	67.6%	57.1%	-18.4%
3-b-3	49.3%	47.4%	-4.0%	58.0%	42.6%	-36.2%	61.5%	73.4%	16.2%	61.6%	56.3%	-9.4%
3-c-9	48.0%	43.3%	-10.9%	50.1%	37.9%	-32.2%	57.2%	61.1%	6.4%	52.9%	42.0%	-26.0%
4-a-1	37.1%	32.9%	-12.8%	45.1%	26.0%	-73.5%	60.5%	65.3%	7.4%	48.1%	43.2%	-11.3%
4-a-9	44.5%	33.6%	-32.4%	51.7%	30.9%	-67.3%	65.6%	58.4%	-12.3%	67.1%	41.7%	-60.9%
4-b-9	36.7%	31.0%	-18.4%	43.8%	24.8%	-76.6%	56.9%	59.6%	4.5%	48.6%	53.7%	9.5%
5-a-9	37.0%	22.1%	-67.4%	47.6%	19.7%	-141.6%	49.9%	56.5%	11.7%	57.5%	19.3%	-197.9%
5-b-9	50.3%	28.3%	-77.7%	52.1%	24.1%	-116.2%	46.8%	44.5%	-5.2%	37.2%	33.2%	-12.0%
5-c-9	44.7%	34.3%	-30.3%	55.0%	31.6%	-74.1%	48.1%	46.6%	-3.2%	48.1%	48.8%	1.4%
6-a-9	38.7%	33.1%	-16.9%	53.8%	28.2%	-90.8%	51.9%	38.8%	-33.8%	62.2%	47.2%	-31.8%
6-b-9	39.7%	30.5%	-30.2%	48.1%	27.3%	-76.2%	55.0%	44.1%	-24.7%	59.1%	41.5%	-42.4%
6-c-9	45.1%	31.7%	-42.3%	49.1%	29.4%	-67.0%	52.6%	47.7%	-10.3%	59.7%	52.4%	-13.9%
6-d-9	51.7%	28.6%	-80.8%	42.1%	29.6%	-42.2%	59.7%	43.1%	-38.5%	64.4%	55.4%	-16.2%
7-a-9	43.2%	30.7%	-40.7%	44.5%	28.0%	-58.9%	57.5%	49.7%	-15.7%	59.8%	41.1%	-45.5%
7-b-9	37.6%	29.3%	-28.3%	47.8%	28.8%	-66.0%	52.7%	41.4%	-27.3%	51.3%	50.5%	-1.6%
7-c-9	39.1%	37.2%	-5.1%	45.9%	32.6%	-40.8%	52.8%	41.4%	-27.5%	48.8%	47.5%	-2.7%
8-a-1	44.1%	24.3%	-81.5%	49.1%	18.9%	-159.8%	36.5%	40.6%	10.1%	42.8%	37.0%	-15.7%
8-a-2	46.2%	25.4%	-81.9%	50.5%	18.2%	-177.5%	44.7%	41.7%	-7.2%	61.4%	75.8%	19.0%
8-b-1	43.8%	29.3%	-49.5%	46.7%	25.5%	-83.1%	32.6%	44.4%	26.6%	43.6%	41.2%	-5.8%
8-b-2	42.6%	36.5%	-16.7%	55.3%	33.8%	-63.6%	44.9%	60.1%	25.3%	47.0%	57.7%	18.5%
8-c-1	29.2%	26.8%	-9.0%	44.4%	23.9%	-85.8%	21.2%	28.8%	26.4%	41.8%	46.6%	10.3%
8-c-2	40.9%	31.6%	-29.4%	44.0%	28.9%	-52.2%	33.0%	42.7%	22.7%	47.8%	54.5%	12.3%
8-d-9	59.0%	38.3%	-54.0%	62.6%	35.5%	-76.3%	57.4%	58.6%	2.0%	62.1%	57.9%	-7.3%
8-e-1	40.4%	28.1%	-43.8%	50.7%	32.6%	-55.5%	46.8%	29.3%	-59.7%	54.5%	29.2%	-86.6%
8-e-2	38.0%	28.6%	-32.9%	49.8%	26.1%	-90.8%	45.4%	37.3%	-21.7%	44.1%	26.5%	-66.4%

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Exhibit III-4-4 (cont.)

	Medical			Surgical			Psychiatric			Substance Abuse	
	% Days Avoidable (LOS)			% Days Avoidable (LOS)			% Days Avoidable (LOS)			% Days Avoidable (LOS)	
Market	VA	Community	DoCM	VA	Community	DoCM	VA	Community	DoCM	VA	Community
9-a-1	34.3%	27.5%	-24.7%	44.5%	24.4%	-82.4%	49.3%	46.3%	-6.5%	59.9%	39.7%	-50.9%
9-a-2	42.5%	22.6%	-88.1%	45.3%	19.8%	-128.8%	64.5%	45.6%	-41.4%	64.6%	39.9%	-61.9%
9-b-9	40.7%	28.6%	-42.3%	49.2%	24.7%	-99.2%	42.1%	38.7%	-8.8%	52.6%	36.7%	-43.3%
9-c-1	41.5%	30.5%	-36.1%	48.1%	28.4%	-69.4%	35.2%	50.5%	30.3%	41.9%	67.0%	37.5%
9-c-2	32.8%	29.3%	-11.9%	43.6%	27.5%	-58.5%	42.6%	43.8%	2.7%	44.6%	40.7%	-9.6%
9-d-9	42.6%	38.3%	-11.2%	50.7%	34.9%	-45.3%	53.9%	53.4%	-0.9%	43.0%	62.2%	30.9%
10-a-9	38.6%	24.3%	-58.8%	45.8%	19.6%	-133.7%	51.0%	52.1%	2.1%	51.3%	42.1%	-21.9%
10-b-9	35.0%	26.1%	-34.1%	49.5%	23.6%	-109.7%	61.3%	54.4%	-12.7%	57.1%	38.9%	-46.8%
10-c-9	31.2%	23.1%	-35.1%	39.4%	20.0%	-97.0%	49.1%	42.5%	-15.5%	44.5%	47.5%	6.3%
11-a-9	41.6%	26.8%	-55.2%	48.2%	26.4%	-82.6%	55.9%	45.4%	-23.1%	52.1%	50.0%	-4.2%
11-b-9	32.5%	26.3%	-23.6%	42.3%	28.2%	-50.0%	53.9%	40.7%	-32.4%	55.4%	45.9%	-20.7%
11-c-1	37.5%	29.3%	-28.0%	49.4%	26.5%	-86.4%	53.3%	57.5%	7.3%	54.8%	58.0%	5.5%
11-c-2	35.1%	22.7%	-54.6%	39.9%	19.9%	-100.5%	61.8%	54.6%	-13.2%	56.2%	33.5%	-67.8%
11-c-9	26.9%	28.4%	5.3%	42.6%	27.3%	-56.0%	57.3%	48.8%	-17.4%	50.5%	51.8%	2.5%
12-a-9	38.3%	26.5%	-44.5%	47.5%	28.8%	-64.9%	43.5%	44.3%	1.8%	34.0%	35.0%	2.9%
12-b-9	39.0%	20.0%	-95.0%	47.5%	27.6%	-72.1%	56.4%	43.4%	-30.0%	42.5%	37.0%	-14.9%
12-c-9	39.7%	30.2%	-31.5%	51.7%	26.2%	-97.3%	54.6%	51.0%	-7.1%	39.1%	39.2%	0.3%
15-a-9	37.4%	27.9%	-34.1%	42.7%	26.1%	-63.6%	51.8%	55.0%	5.8%	52.3%	45.5%	-14.9%
15-b-9	37.3%	26.2%	-42.4%	42.2%	23.9%	-76.6%	53.7%	45.9%	-17.0%	55.9%	48.0%	-16.5%
15-c-9	38.6%	31.1%	-24.1%	47.4%	30.4%	-55.9%	51.7%	43.2%	-19.7%	46.6%	37.7%	-23.6%
16-a-1	49.3%	37.3%	-32.2%	58.1%	35.6%	-63.2%	49.1%	54.0%	9.1%	57.2%	64.1%	10.8%
16-a-9	44.6%	31.3%	-42.5%	52.5%	28.0%	-87.5%	56.3%	57.4%	1.9%	56.6%	49.8%	-13.7%
16-b-9	44.1%	29.6%	-49.0%	43.2%	27.7%	-56.0%	68.2%	48.5%	-40.6%	69.7%	33.2%	-109.9%
16-c-9	42.2%	35.2%	-19.9%	45.7%	29.6%	-54.4%	59.7%	60.3%	1.0%	52.8%	57.2%	7.7%
16-d-9	42.3%	31.9%	-32.6%	48.4%	27.7%	-74.7%	49.7%	53.8%	7.6%	53.1%	55.8%	4.8%
17-a-1	49.7%	25.6%	-94.1%	53.7%	24.1%	-122.8%	58.6%	58.6%	0.0%	63.5%	39.6%	-60.4%
17-a-9	51.0%	24.3%	-109.9%	54.1%	21.8%	-148.2%	59.0%	52.5%	-12.4%	65.1%	19.5%	-233.8%
17-b-1	38.0%	28.8%	-31.9%	53.1%	26.2%	-102.7%	46.8%	53.5%	12.5%	57.0%	44.7%	-27.5%
17-b-2	40.9%	29.6%	-38.2%	50.7%	22.6%	-124.3%	54.3%	37.5%	-44.8%	58.2%	46.6%	-24.9%
17-b-3	48.0%	30.9%	-55.3%	59.2%	27.0%	-119.3%	58.3%	26.6%	-119.2%	61.9%	50.3%	-23.1%
17-b-4	41.5%	32.0%	-29.7%	55.8%	24.2%	-130.6%	51.5%	49.1%	-4.9%	62.8%	52.7%	-19.2%
17-b-5	40.4%	27.6%	-46.4%	54.8%	24.8%	-121.0%	53.2%	17.9%	-197.2%	55.0%	29.4%	-87.1%
17-b-9	44.7%	37.2%	-20.2%	55.4%	27.9%	-98.6%	49.7%	15.9%	-212.6%	63.9%	30.2%	-111.6%
17-c-9	42.8%	31.6%	-35.4%	45.4%	28.3%	-60.4%	47.9%	48.7%	1.6%	60.3%	34.9%	-72.8%
17-d-1	44.8%	35.5%	-26.2%	45.8%	32.8%	-39.6%	54.0%	43.9%	-23.0%	63.0%	36.1%	-74.5%
17-d-2	35.3%	34.4%	-2.6%	38.9%	30.7%	-26.7%	50.7%	45.9%	-10.5%	63.8%	42.2%	-51.2%
18-a-9	30.2%	18.1%	-66.9%	39.3%	14.6%	-169.2%	47.0%	42.8%	-9.8%	55.3%	37.5%	-47.5%
18-b-1	33.3%	27.2%	-22.4%	49.2%	29.6%	-66.2%	48.4%	47.6%	-1.7%	58.9%	33.8%	-74.3%
18-b-2	42.5%	31.6%	-34.5%	50.5%	30.1%	-67.8%	56.4%	43.9%	-28.5%	67.2%	33.8%	-98.8%

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Exhibit III-4-4 (cont.)

	Medical			*Surgical*			*Psychiatric*			*Substance Abuse*	
	% Days Avoidable (LOS)			*% Days Avoidable (LOS)*			*% Days Avoidable (LOS)*			*% Days Avoidable (LOS)*	
Market	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*	*VA*	*Community*	*DoCM*	*VA*	*Community*
19-a-1	35.5%	19.4%	-83.0%	45.6%	24.1%	-89.2%	63.2%	15.2%	-315.8%	58.3%	26.9%	-116.7%
19-a-9	30.3%	18.1%	-67.4%	49.8%	22.4%	-122.3%	58.5%	48.2%	-21.4%	66.4%	54.4%	-22.1%
19-b-9	36.7%	13.6%	-169.9%	45.5%	17.4%	-161.5%	46.3%	20.7%	-123.7%	55.4%	17.4%	-218.4%
19-c-9	45.2%	20.0%	-126.0%	49.8%	24.8%	-100.8%	51.4%	28.0%	-83.6%	59.1%	35.2%	-67.9%
19-d-9	29.6%	16.4%	-80.5%	40.1%	24.6%	-63.0%	43.9%	47.4%	7.4%	55.7%	40.5%	-37.5%
19-e-9	36.3%	21.1%	-72.0%	39.6%	25.7%	-54.1%	61.9%	22.7%	-172.7%	65.9%	52.5%	-25.5%
20-a-9	37.6%	27.5%	-36.7%	44.7%	27.9%	-60.2%	50.2%	41.3%	-21.5%	58.5%	45.3%	-29.1%
20-b-1	23.6%	14.2%	-66.2%	35.3%	20.9%	-68.9%	52.0%	41.9%	-24.1%	48.2%	38.8%	-24.2%
20-b-2	26.4%	14.5%	-82.1%	40.6%	21.3%	-90.6%	56.7%	27.2%	-108.5%	53.0%	46.5%	-14.0%
20-c-9	32.1%	15.2%	-111.2%	43.5%	17.2%	-152.9%	39.9%	29.5%	-35.3%	55.8%	32.2%	-73.3%
20-d-9	33.5%	15.6%	-114.7%	45.5%	18.8%	-142.0%	52.0%	56.8%	8.5%	52.7%	52.0%	-1.3%
20-e-1	39.9%	18.8%	-112.2%	40.6%	20.9%	-94.3%	43.8%	63.5%	31.0%	52.1%	60.8%	14.3%
20-e-2	41.6%	18.1%	-129.8%	45.4%	20.2%	-124.8%	56.1%	17.7%	-216.9%	55.3%	38.2%	-44.8%
21-a-9	33.6%	26.3%	-27.8%	47.3%	28.6%	-65.4%	61.4%	54.0%	-13.7%	69.8%	48.3%	-44.5%
21-b-9	28.7%	21.2%	-35.4%	40.1%	24.8%	-61.7%	63.9%	32.5%	-96.6%	63.7%	33.1%	-92.4%
21-c-9	46.5%	41.4%	-12.3%	55.9%	41.4%	-35.0%	46.9%	41.9%	-11.9%	53.4%	51.3%	-4.1%
21-d-9	39.4%	29.2%	-34.9%	51.1%	28.9%	-76.8%	66.4%	50.7%	-31.0%	73.6%	37.3%	-97.3%
21-e-9	33.2%	22.3%	-48.9%	46.8%	17.6%	-165.9%	39.2%	38.6%	-1.6%	59.8%	41.1%	-45.5%
21-f-9	37.7%	25.8%	-46.1%	46.4%	25.0%	-85.6%	38.9%	32.0%	-21.6%	37.2%	36.7%	-1.4%
21-g-9	52.2%	41.2%	-26.7%	41.4%	31.1%	-33.1%	0.0%	27.1%	100.0%	0.0%	2.0%	100.0%
22-a-1	29.6%	27.0%	-9.6%	46.2%	26.1%	-77.0%	25.7%	33.0%	22.1%	46.3%	43.5%	-6.4%
22-a-2	31.1%	24.6%	-26.4%	41.8%	24.6%	-69.9%	49.0%	54.4%	9.9%	72.2%	51.4%	-40.5%
22-a-3	43.3%	33.8%	-28.1%	55.6%	28.9%	-92.4%	56.8%	53.5%	-6.2%	61.5%	43.3%	-42.0%
22-b-9	37.0%	31.3%	-18.2%	46.8%	25.3%	-85.0%	48.9%	52.9%	7.6%	63.9%	36.8%	-73.6%
23-a-9	39.9%	22.5%	-77.3%	38.9%	20.3%	-91.6%	45.1%	50.7%	11.0%	39.9%	59.6%	33.1%
23-b-9	27.0%	20.6%	-31.1%	36.9%	25.5%	-44.7%	32.9%	50.0%	34.2%	35.2%	39.3%	10.4%
23-c-9	39.7%	23.7%	-67.5%	38.0%	26.4%	-43.9%	42.8%	46.9%	8.7%	51.3%	42.0%	-22.1%
23-d-9	30.7%	25.4%	-20.9%	44.9%	25.0%	-79.6%	49.0%	55.8%	12.2%	59.8%	48.2%	-24.1%
23-e-9	44.3%	31.4%	-41.1%	50.1%	31.0%	-61.6%	44.0%	43.1%	-2.1%	46.5%	52.8%	11.9%
Unknown	43.1%	39.2%	-9.9%	42.9%	29.0%	-47.9%	45.9%	48.2%	4.8%	52.6%	49.2%	-6.9%
Totals	40.0%	31.2%	-28.2%	47.6%	29.1%	-63.6%	53.2%	53.7%	0.9%	54.7%	52.0%	-5.2%

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Section IV
Special VA Program Projections

Introduction and Background

The majority of services projected by the FY04 VA Enrollee Health Care Projection Model are based on a combination of private sector utilization and historical VA utilization. However, the programs included in the Special VA Program analysis do not have credible private sector benchmarks, as these are rarely covered by commercial benefit plans. For this reason, these programs are projected without reference to private sector benchmarks. A separate analysis, using the same general modeling methodology as that used for private sector benefits, was developed for Special VA Programs. This analysis was used for all programs, with minor variations for each program.

The unique VA programs that are modeled in this analysis, for which robust private sector benchmarks are not available, include the following programs:

Outpatient Mental Health VA Programs	*Clinic Stops*
Day Treatment	505, 553, 581
Homeless	522, 529, 590
Methadone Treatment	523
Mental Health Intensive Case Management (MHICM)	552
Work Therapy	535, 573, 574, 575
Community Mental Health Residential Care	503, 121

Special VA Program Bed Section Care	*Bed Sections*
Blind Rehab (VA Model)	21, 36
Spinal Cord Injury (VA Model)	22, 23
Sustained Treatment and Rehab (STAR I, II, & III)	89, 90
Psychiatric Residential Rehab Treatment Program (PRRTP)	25, 77
PTSD Residential Rehab (PRRP)	26, 88
Substance Abuse Residential Rehab Treatment (SARRT)	27, 86
Homeless Chronic Ment Ill Comp Work Therapy/Trans. Residence (HCMI CWT/TR)	28, 29, 38, 39
Residential Rehabilitaion Treatment (excluding PTSD and SA that are included in above programs)	37, 85, 87

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Other	
Compensation and Pension Exams Program	CPT codes 99450, 99455-6
Respite Care	Bed Section 83

Section V, VA Workload Data Manipulations, fully documents how the bed care utilization is captured and counted.

General Description of Modeling Methodology for Special VA Programs

Because the programs included in the Special VA Program analysis do not have credible private sector benchmarks, it was determined that projections based on VA experience are more likely to accurately project future VA experience than if based on the private sector mental health experience. Fiscal Year 2002 experience was used to develop the Base Rates and other adjustments described below.

Except as specifically described, each of the program models followed the same general procedure described below. This procedure:

a) starts with a Base Rate derived from FY 2002 VA experience, described as utilization rates per 1,000 enrolled veterans (utilization/1000),
b) adjusted by a Priority Level/Enrollee Type factor,
c) adjusted by a birth year Cohort factor, if appropriate,
d) adjusted by an Age/Gender factor,
e) adjusted by a Regional Relativity factor, which varies by VISN.

Description of development of each factor

A. Base Rates

The starting VA experience used was the FY 2002 baseline data for enrolled veterans. Workload for patients that were not enrolled veterans was excluded. The total utilization count and member months of exposure were captured and used to express the raw rate of utilization per 1,000 enrollees, consistent with the structure of the VA Enrollee Health Care Projection Model. For special VA programs based on bed section care, utilization is in terms of bed days per 1,000

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enrolled veterans. For Outpatient and Other programs, it is a measure of clinic stops per 1,000 enrolled veterans.

The Base Rate was not simply set equal to the raw average utilization rate for the entire population of enrolled veterans. The Base Rate is the starting rate that, in conjunction with the adjustment factors, develops total utilization that equals the raw utilization rate for FY 2002. It can be interpreted as representing the average utilization rate for hypothetical enrollees that have 1.00 as their Priority Level/Enrollee Type factor, their Age/Gender factor, their Cohort factor and their Regional Relativity factor. For the population in total, these base rates multiplied by the respective adjustment factors will produce modeled utilization that matches the actual FY 2002 utilization. Thus, the Base Rate used in the model is developed as a near-last step using the following formula:

$$\text{Base Rate} = \frac{\text{Raw Average Utilization Rate}}{\text{Composite Impact of All of the Adjustment Factors}}$$

B. Priority Level/Enrollee Type Factors:

The use of these mental health programs varies significantly for certain Priority Levels and Enrollee Types. In particular, these special programs are often used much more frequently by veterans in Priority Levels 1a or 4. Also, Enrollee Pres tend to have a higher rate of use. To develop these factors, the following steps were followed:

1. Enrollees were sorted into two Enrollee Types— Enrollee Pre and Enrollee Post.
2. Enrollee Pres and Enrollee Posts were then sorted into Priority Levels 1a, 1b, 2, 3, 4, 5, 6, 7a, and 7c.
3. A subset of the total utilization, for male enrollees ages 40 to 79, was used for the development of the Priority Level/Enrollee Type factors. Male veterans under age 40 and over age 79 and all female age bands frequently had low enrollment, and had highly variable rates of use. Since these special programs often have very low utilization, including these low enrollment Age/Gender categories could possibly skew the rate of use inappropriately. Still, 77% of the total FY 2002 enrollment was included in the male ages 40-79 categories, therefore, it was very credible data.

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4. For each of the 18 Priority Level/Enrollee Type categories, experience was summarized by 5-year age band, showing average enrollment, unique users, total utilization, and raw utilization rate per 1,000 enrollees.
5. The experience utilization rates for each of the 18 Priority Level/Enrollee Type categories was aggregated using a composite of the age-specific experience utilization rates, but weighted for the same age mix. The age mix used was the age mix of the entire male enrolled population, ages 40 to 79. This created an age/gender adjusted utilization rate for each of the 18 categories.
6. A normalized average of the 18 rates was developed by weighting each factor by its exposure as a percent of the total population.
7. Each Priority Level/Enrollee Type factor was developed as each category's rate per 1,000 divided by the overall normalized rate per 1,000.
8. For certain low volume, not fully credible categories, the results were adjusted for reasonableness, based on actuarial judgment. Adjustments were made to make the sequence of factors more reasonable (for example, since Priority Level 2 enrollees are assumed to have greater disabilities than Priority Level 3 enrollees, and lesser disabilities than Priority Level 1 enrollees, the Priority Level 2 factor should be between that of Priority Levels 1 and 3. Also, adjustments may have been made to better model the actual utilization demonstrated in FY 2002, the experience period. Programs for which at least one judgmental change was made to Priority Level/Enrollee Type factor table were:

    i. Methadone Treatment,
    ii. Work Therapy,
    iii. HCMI CWT/TR,
    iv. STAR I II III, and
    v. PRRTP.

C. Birth Year Cohort Factors:

Using the Priority Level/Enrollee Type factors developed as described in *B* (above), *initial* Age/Gender factors were developed by removing the influence of Priority Level and Enrollee Type on the experience of each Age/Gender category. A utilization rate normalized to an average Priority Level/Enrollee Type for each Age/Gender category is developed by dividing the preliminary utilization rate by the weighted average Priority Level/Enrollee Type factor developed separately for each category.

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It is presumed that certain programs have different utilization levels based on the veterans participation in either the Vietnam or Gulf wars, or other factors related to birth year. For example, use of Methadone Treatment program seems to be more highly correlated with males born between the mid 1940's and the early 1960's. Cohort factors were investigated by comparing the normalized utilization rate by age and gender to normal commercial Age/Gender curves for mental health services. Each program's relative experience by age and gender was compared to the Milliman USA *Health Cost Guidelines*™ Age/Gender factors. Although factors for these particular programs do not exist, factors for similar mental health categories were chosen. If the actual VA experience for Age/Gender categories differed materially from a reasonable or typical Age/Gender pattern, was credible, and could not be explained by other influences, a birth year cohort effect was assumed for that cohort. Birth year cohorts (defined by attained age as of FY 2002) were generally assumed to be ages 30-34 (Gulf-era veterans) and 50-59 (Vietnam-era veterans), with surrounding age groups considered.

Of the mental health programs, only two (the Post-Traumatic Stress Disorder Program and Methadone Treatment Program) were determined to merit cohort factors, although all were considered. The cohort adjustments for these two programs were significant as demonstrated below:

Birth Year Cohort Factor (if Cohort factor is other than 1.00)						
Program	Male Age/Gender Category					
	30-34	35-39	40-44	45-49	50-54	55-59
Methadone Treatment			2.00	3.25	3.00	2.00
Post-traumatic stress disorder	2.50	2.00			7.50	5.00

Compensation and Pension Exams had a noticeable and credible increase in utilization in ages that correlated with Vietnam-era veterans. However, this was assumed to be related to their ages (50-59), since pre-retirement planning would intensify at these ages. Therefore, the utilization is reflected in the Age/Gender factors.

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D. Age/Gender Factors:

Initial Age/Gender factors were developed as described in the beginning of section *C: Birth Year Cohort Factors* (above). The final Age/Gender factors were obtained by first removing the impact of the cohort factors from the initial factors (i.e., by dividing the initial Age/Gender factors by the Cohort factors) for Methadone Treatment and PTSD programs. In many instances, these adjusted factors were based on very small membership and utilization, and were not credible. Adjustments were made to create reasonable Age/Gender factor progressions. Often, the individual female factors were not credible, and too volatile. In these cases, the female factors were set to a percentage of the male factors for all ages. Also, the very low ages showed high volatility due to low volume enrollment and workload. These were also smoothed.

Outpatient Mental Health VA Programs	**Reason for Adjustment**
Day Treatment	Combined <24 with 25-29 to smooth. Female rates were not credible, and were set to be a ratio of male factors. The ratio was based on the weighted average of female to male utilization for ages 30-59, weighted by the female age distribution (which has credible volume in these age categories).
Homeless	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment.
Methadone Treatment	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment.
Mental Health Intensive Case Management (MHICM)	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment. Also, combined <24 with 25-29 ages to smooth.
Work Therapy	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment.
Community Mental Health Residential Care	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment, except only age 40-54 were used to weight the female to male ratio. Also, combined <24 with 25-29 and 30-34 ages to smooth

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Special VA Program Bed Section Care	Reason for Adjustment
Blind Rehab (VA Model)	See discussion of Blind Rehab model below.
Spinal Cord Injury (VA Model)	See discussion of Spinal Cord Injury model below.
Sustained Treatment and Rehab (STAR I II III)	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment, except only ages 40-49 were used to weight the female to male ratio. Also, combined ages <24 with 25-29 and 30-34 to smooth, plus combined ages 45-54 ages to smooth.
Psychiatric Residential Rehab Treatment Program (PRRTP)	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment, except only age 35-49 were used to weight the female to male ratio. Also, combined <24 with 25-29 and 30-34 ages to smooth, plus smoothed ages 35-44 as well.
PTSD Residential Rehab (PRRP)	Female rates not credible, and were set to be a ratio of male factors. The ratio was based on the weighted average of female to male utilization for ages 35-54, weighted by the female age distribution (which has credible volume in these age categories).
Substance Abuse Residential Rehab Treatment (SARRT)	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment. Also, combined <24 with 25-29 ages to smooth.
Homeless Chronic Ment Ill Comp Work Therapy/Trans. Residence (HCMI CWT/TR)	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment, except only age 40-49 were used to weight the female to male ratio.
Residential Rehab Treatment (excluding PTSD and SA that are included in above programs)	Female factors were set to be a ratio of the similar age male factor, in the same manner as described for Day Treatment. Also, combined <24 with 25-29 ages to smooth.

Other	Reason for Adjustment
Compensation and Pension Exams Program	No adjustments were made.

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E. Regional Relativity Factors

The aggregate impact of the Priority Level/Enrollee Type, Cohort, and Age/Gender factors was determined for each VISN based on its own enrollee distribution. This aggregate factor was then backed out from each VISN's utilization rate giving a utilization rate normalized to reflect a national average Age/Gender, Priority Level and Enrollee Type. The VISN having the greatest adjusted utilization rate is arbitrarily designated as having a Regional Relativity factor of 1.0. The Regional Relativity factor for the remaining VISNs is calculated as the ratio of the adjusted VISN utilization rate to the greatest adjusted VISN utilization rate. This does not imply that the VISN with a factor of 1.0 is considered to offer "best practice" within that category of care. Nor does it imply that for strategic planning purposes, the Regional Relativity factor cannot be greater than 1.0. However, defining the Regional Relativity in this way enables the factor to be used in a fashion similar to the use of Reliance factors. That is, the regional relativities reflect a complex combination of supply and demand, as a result of variations within VA and variations in non-VA community support programs.

Special VA Program Projections Based on VA Models

The general modeling technique described above could be used for the following two programs: Blind Rehab and Spinal Cord Injury (SCI). However, CACI/Milliman was contracted by VA to incorporate these programs into the VA Enrollee Health Care Projection Model using VA-developed projection methodologies. The primary difference between the VA-developed methodologies and the technique described above is in the number of projection parameters. The above projection models vary by Age/Gender, Priority Level/Enrollee Type, birth year Cohort, as well as region. The prescribed models for Blind Rehab and SCI do not use Age/Gender, Priority Level/Enrollee Type, or Cohort to develop their projections. Some categories, such as Priority Level 4 enrollees, have significantly higher utilization than the other Priority Level enrollees for these two programs. For example, to the extent that the proportion of Priority Level 4 enrollees changes over time, the VA-developed projections are unable to capture variations in utilization due to those changes.

Blind Rehab Program

The Blind Rehab model is based upon the methodology in the "Final Blind Rehab Demand Projections" model as provided by VA. The methodology VA used to develop this model is

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included as Exhibit IV-1. In summary, to produce projected bed days of Blind Rehab care, the VA-provided model:

- projects the legally blind veteran population for each fiscal year and VISN;
- multiplies by the projected market shares (based on overall enrollment) for each fiscal year and VISN; and
- multiplies by the rate of bed days per Blind Rehab patient (based on FY 2001 VA workload), which vary by VISN.

This VA Blind Rehab model was incorporated into the VA Enrollee Health Care Projection Model by expressing the projected utilization as the product of:

- the incidence rate of blindness in the enrolled veteran population;
- the base utilization rate for blind patients; and
- the regional relativity factor for Blind Rehab utilization.

The incidence rate is set equal to the ratio of legally blind veterans to total veterans, and varies by VISN and Fiscal Year. The base utilization rate for Blind Rehab patients is set equal to the greatest VISN utilization rate. The regional relativity factor for each VISN is the ratio of that VISNs utilization rate to the base utilization rate.

Spinal Cord Injury and Disorders Program

The Spinal Cord Injury model is based upon the methodology in the "Final SCI Demand Projections" model as provided by VA. The methodology VA used in the development of this model is included as Exhibit IV-2. In summary, to produce projected bed days of SCI care, the VA-provided model:

- starts with the 16,665 SCI patients treated in FY 2001;
- projects future fiscal year SCI patients by applying an annual growth rate of 1.28%;
- distributes the projected SCI patients to VISNs using the relative levels of Priority Level 1 through Priority Level 4 enrollment projected for each VISN; and
- multiplies by the rate of bed days per SCI patient (based on FY 2001 VA workload).

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This VA SCI model was incorporated into the VA Enrollee Health Care Projection Model, by expressing the projected utilization as the product of:

- the incidence rate of SCI in the enrolled veteran population;
- the base utilization rate for SCI patients; and
- the regional relativity factor for SCI utilization.

The incidence rate is set equal to the ratio of SCI patients to total veterans, and varies by Fiscal Year. The incidence rate for Priority Levels 5 through 8c veterans is set to 0. The base utilization rate for SCI patients is set equal to the greatest VISN utilization rate. The regional relativity factor for each VISN is the ratio of that VISNs utilization rate to the base utilization rate for SCI.

Respite and VA Program Equipment and Services

The Special VA Program analysis originally was focused on mental health related services and did not include Respite care. In addition, the need to model VA Program Equipment and Services using VA experience data became apparent during the Prosthetics workload analysis. Consequently, utilization rates were developed for Respite and VA Program Equipment and Services using historical FY 2002 VA workload experience data in a separate analysis. Fiscal year 2002 workload data was obtained from VA and national bed days were summarized by fiscal year, bed section, Priority Level, age band and gender for Respite bed care. VA Program Equipment and Services unit counts were also summarized into the same demographic cohorts. The total days or units and the FY 2002 enrollee exposures were used to calculate annual utilization rates per thousand.

These utilization rates were smoothed across age bands, gender and Priority Levels. This was accomplished by assuming age and gender distinctions were credible for all Priority Levels combined and Priority Level distinctions were credible for all age bands combined. Relative age factors were developed for all Priority Levels combined and relative morbidity factors by Priority Level were developed for all ages combined. For VA Program Equipment and Services, the data was credible enough to support relative morbidity factors that vary by Priority Level and Enrollee Type. For Respite care it was apparent that overall differences in utilization rates exist for each gender, but the female experience was not credible for developing relative age and morbidity factors. In this case, relative morbidity factors and age factors for the credible male

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enrollee population were used to develop smoothed utilization rates for female enrollees. The overall difference in the utilization rates between male and female enrollees was maintained. The Respite bed care experience also had inconsistent age factors in the younger age bands that were developed from credible and non-credible data. Consequently, the age bands for ages under 50 were combined to develop a single age factor for all of the combined age bands.

These services were incorporated into the utilization and projection model and the resulting FY 2002 bed days for these services was compared to the original bed days from the FY 2002 workload data. Actual-to-Expected ratios were developed for each service. These factors were incorporated into the modeling process and represent experience adjustments that enhance the model's prediction capabilities. The national Actual-to-Expected ratio for Respite Care was 0.893. Due to the high volume of VA Program Equipment and Service data, the Actual-to-Expected ratio for it was very close to 1.00. As a result, the starting baseline utilization assumption for this service was adjusted slightly such that a 1.00 Actual-to-Expected ratio would result nationally, across all Age Bands, Priority Levels, and Enrollee Types. Unit costs (per diems or cost per unit) were developed for each service as described in Section VII- VA Unit Costs.

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Exhibit IV-1

CARES Phase II - Blind Rehab Special Disabilities Population Demand Model

This workbook presents a model for calculating blind rehab bed level projections for FY2012 and FY2022. The model uses FY2001 utilization rates and blind rehab enrollee projects by VISN. In Exhibit - 3 the impact of adding two blind rehab centers in VISN 16 and VISN 22 is calculated.

The workbook contains six tabs not including this explanation: two trend charts one of the general veteran population and another of legally blind veterans, two spreadsheets that calculate projected blind rehab bed levels, and two supporting spreadsheets, one for computing market share by VISN and FY, and another for applying those market share percentages to the blind veteran population to derive enrollee estimates. Tabs are referred to as Exhibits in this document.

Trend Chart of Total Veterans Population & Enrollee Projections FY2001 - FY2022 (Exhibit - 1a)

This combination area/line chart shows trends of national population, enrollee and market share projections for all veterans from FY2001 to FY2022.

- Data sources:

- Estimates for the veteran population are from VetPop2001Adj (VetPop2001 Adjusted for Census 2000).
- Total enrollee projections are CACI/Milliman, enrollment estimates based on VetPop2001Adj and adjusted for enrollment policy
- Market share is a percentage calculated by dividing enrollment projections by population projections.

Trend Chart of the Legally Blind Veteran Population & Enrollee Projections FY2001 - FY2022 (Exhibit - 1b)

This combination area/line chart shows trends of national population, enrollee and market share projections for legally blind veterans from FY2001 to FY2022.

- Data sources:

- Estimates for the legally blind veteran population from Bill Delaune, CARES SUMMARY: Legally Blind Veterans, CD 11/11/2002.
- Market share is a percentage calculated by dividing total projected enrolled veterans from CARES CACI/Milliman, enrollment estimates
- Blind Rehab enrollees are projected by multiplying market share times blind veteran population estimates.

Projections with Baseline Utilization (Exhibit - 2)

This spreadsheet calculates projected bed levels by VISN for FY2012 and FY2022. The percent change from the base year (FY2001) to each projected year is calculated, mandated bed levels are displayed and the gap between available and projected beds is computed.

- Column contents

- VISN [A] - The VISN Number
- Blind Rehab Base Year FY2001
  - Actual Admits [B] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of admit_hsc util_hsc where hsc = '10'
  - Actual Bed Days [C] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of util_hsc where hsc = '10' by
  - Estimated Beds [D] - ([C] / 365 / 0.85)
  - Estimated Legally Blind Enrollees [E] - values transferred from Exhibit - 4, enrollment section column [B].
  - Bed Days Per 1,000 Enrollees [F] - ([C] / ([E] / 1000))
- Projected Legally Blind Enrollees
  - FY12 [G] - are values transferred from Exhibit - 4, enrollment section column [M].
  - FY22 [H] - are values transferred from Exhibit - 4, enrollment section column [W].
- Bed Days Projected
  - FY12 [I] - ([F] * ([G] / 1000))
  - FY22 [J] - (F] * ([H] / 1000))
- Bed Levels Projected
  - FY12 [K] - ([I] / 365 / 0.85)
  - FY22 [L] - ([J] / 365 / 0.85)
- % Change from Base Year to
  - FY12 [M] - (([I] - [C]) / [C])
  - FY22 [N] - (([J] - [C]) / [C])
- Mandated Levels [O] - current bed levels provided by the director of Blind Rehabilitation Service
- Gap: Available vs. Projected beds
  - 2001 - 2012 [P] - [K]-[O]
  - 2001 - 2022 [Q] - [L]-[O]

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Exhibit IV-1 (cont.)

Adding Centers in VISN 16 and 22 (Exhibit - 3)

This exhibit is identical to Exhibit 2, except a utilization rate of 2,839 Bed Days per 1,000 enrollees was substituted in VISN 16 and 22. This rate represents the average rate for VISNs with centers. Using the new rate increased projected bed levels from 20 to 36 in FY2012 and 21 to 37 in FY2022 in VISN 16, and from 17 to 24 in FY2012 and from 16 to 23 in FY2022 in VISN 22, as compared to Exhibit - 2.

- **Column contents**
  - All columns are identical to Exhibit - 2
  - The formula in the "VISN 16" row and "Bed Days Per 1,000 Enrollees" column as copied from Exhibit - 2 was replaced by the value 2,839. All columns to the right that use this column are therefore calculated based on this new value.

Population and Enrollment Projections (Exhibit - 4)

This spreadsheet contains two sections: Blind Population Projections and Blind Enrollment Projections. The numbers are arrayed by VISN and FY. Blind Population Projections were extracted from Bill Delaune's CARES SUMMARY: Legally Blind Veterans, CD 11/11/2002, and Blind Enrollment Projections are computed by multiplying population counts times market share percent from Exhibit - 5.

- **Column contents**
  - VISN [A] - The VISN Number
  - Population section: FY2001 - FY2022, columns [B]-[W] are the numbers reported on the CARES SUMMARY: Legally Blind Veterans, CD.
  - Enrollee section: FY2001 - FY2022, columns [B]-[W] are the product of population times market share from the corresponding (VISN, FY) cell in Exhibit - 5.

Market Share by VISN Calculation (Exhibit - 5)

This spreadsheet contains three sections: Total Veteran Population Projections from VetPop2001Adj (adjusted for Census 2000), Total Enrolled Veterans Estimates from CACI/Milliman, enrollment estimates based on VetPop2001Adj and adjusted for enrollment policy changes from County_fyend_census2000 SAS Dataset and Market Share. The numbers in all sections are arrayed by VISN and FY. Market share is computed as a percent by dividing enrollees by population.

- **Column contents**
  - VISN [A] - The VISN Number
  - Population section: FY2001 - FY2022, columns [B]-[W] are the total Veteran Population Estimates from VetPop2001Adj.
  - Enrollee section: FY2001 - FY2022, columns [B]-[W] are Total Enrolled Veterans Estimates extracted from CACI/Milliman, enrollment estimates based on VetPop2001Adj and adjusted for enrollment policy changes from County_fyend_census2000 SAS Dataset.
  - Market Share section: FY2001 - FY2022, columns [B]-[W] are (enrollees/population).

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Exhibit IV-2

CARES Phase II - Acute SCI&D Special Disabilities Population Demand Model

This workbook presents a model for calculating SCI bed level projections for FY2012 and FY2022. The model excludes LTC and uses baseline FY2001 acute utilization rates and SCI "user" projections by VISN.

The workbook contains eight tabs: an explanation, a trend chart of SCI veterans, three spreadsheets that calculate projected acute SCI bed levels, a supporting spreadsheet for applying VISN percent of total priority 1-4 enrollees to the SCI veteran total "user" estimates, a spreadsheet that presents VISN percentage of total enrollees, and a trend chart of Priority 1-4 National Veteran Population & Enrollee Projections FY2001 - FY202. Tabs are referred to as Exhibits in this document.

Trend Chart of SCI Veteran Population & "User" Projections FY2001 - FY2022 (Exhibit - 1)

This combination area/line chart shows trends of national population, users, and market share projections for SCI veterans from FY2001 to FY2022.

- Data sources:

- Estimates for the SCI veteran population prevalence are from Lasfarques, Custis, Morrone, Carswell, & Nguyen (1995) (SCI prevalence of 1,634 per million veterans) plus 25% of veterans with multiple sclerosis based on state-by-state latitude adjusted VISN multiple sclerosis prevalence rates based on Bandolier (2001). Myhr et al.,'s (2001) finding that following a fifteen-year course of multiple sclerosis, only 75.8% could manage without wheelchair use is the basis for the 25% of veterans with multiple sclerosis also receiving spinal cord injury diagnoses of tetraplegia or paraplegia.
- Actual FY2001 SCI&D market share was calculated by matching 22,334 living veterans in the Allocation Resource Center listing of veterans with SCI since 1988 by SSN to 18,008 records in the enrollment file. 16,665 of these veterans with SCI&D in the enrollment file had verified or pending enrollments in FY2001. ZIP Codes from the National Patient Care Database were mapped back to VISNs using the ZIP_VISN Field of File ZIP04_2002.DBF of the VA Planning Systems Support Group. Market share is a percentage (35%) calculated by dividing current enrollees by the SCI population described above (16,665/47,172) and incrementally increasing market
- SCI users are projected by multiplying VISN percent of priority 1-4 enrollees times total SCI "user" estimates.

Projections with Baseline FY2001 Utilization excluding SCI LTC in VISNs 1, 3, and 6 (Exhibit - 2a)

This spreadsheet calculates projected bed levels by VISN for FY2012 and FY2022. The percent change from the base year (FY2001) to each projected year is calculated, mandated bed levels from VHA Directive 2000-022, P.L. 107-135, and P.L. 104-262 are displayed, and the gap between projected and available beds is computed.

- Column contents

- VISN [A] - The VISN Number
- SCI Base Year FY01
  - Actual Admits [B] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of admit_hsc util_hsc where hsc = '11' by VISN minus 115 LTC admissions for VISN 1, 113 LTC admissions for VISN 3, and 69 LTC admissions in VISN 6.
  - Actual Bed Days [C] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of util_hsc where hsc = '11' by VISN. FY2001 SCI LTC bed days of care have been subtracted for VISNs 1 (6,179), 3 (4,192), and 6 (20,064).
  - Estimated Beds [D] - ([C] / 365 / 0.85)
  - Estimated SCI "Users" [E] - are values transferred from Exhibit - 3, "Users" section, column [B].
  - Bed Days Per 1,000 Enrollees [F] - ([C] / ([E] / 1000))
- Projected SCI "Users"
  - FY12 [G] - are values transferred from Exhibit - 3, "Users" section column [M].
  - FY22 [H] - are values transferred from Exhibit - 3, "Users" section column [W].
- Bed Days Projected
  - FY12 [I] - ([F] * ([G] / 1000))
  - FY22 [J] - (F] * ([H] / 1000))
- Bed Levels Projected
  - FY12 [K] - ([I] / 365 / 0.85)
  - FY22 [L] - ([J] / 365 / 0.85)
- % Change from Base Year to
  - FY12 [M] - (([I] - [C]) / [C])
  - FY22 [N] - (([J] - [C]) / [C])
- Mandated Levels [O] - acute staffed SCI&D bed levels mandated by public law 107-135, public law 104-262, and VHA Directive 2000-022.
- Mandated Levels [P] - acute available SCI&D bed levels mandated by public law 107-135, public law 104-262, and VHA Directive 2000-022.
- Gap: Available vs. Projected beds
  - 2001 - 2012 [Q] - [K]-[P]
  - 2001 - 2022 [R] - [L]-[P]

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Exhibit IV-2 (cont.)

Projections with Current Utilization & Mean Substitution for all VISNs without SCI Centers (Exhibit - 2b)

This spreadsheet calculates projected bed levels by VISN for FY2012 and FY2022. The percent change from the base year (FY2001) to each projected year is calculated, mandated bed levels are displayed and the gap between projected and available beds is computed. A utilization rate of 16,215 Bed Days per 1,000 "users", the average rate for VISNs with centers, was substituted in all VISNs without SCI Centers.

- Column contents

- VISN [A] - The VISN Number
- SCI Base Year FY01
  - Actual Admits [B] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of admit_hsc util_hsc where hsc = '11' by VISN minus 115 LTC admissions for VISN 1, 113 LTC admissions for VISN 3, and 69 LTC admissions in VISN 6.
  - Actual Bed Days [C] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of util_hsc where hsc = '11' by
  - Estimated Beds [D] - ([C] / 365 / 0.85)
  - Estimated SCI "Users" [E] - are values transferred from Exhibit - 3, "Users" section, column [B].
  - Bed Days Per 1,000 Enrollees [F] - ([C] / ([E] / 1000)) - 16,215 bed days per 1,000 Enrollees (average for VISNs with SCI Centers) has been substituted for all VISNs without SCI Centers (2, 4, 5, 11, 19, and 23).
- Projected SCI "Users"
  - FY12 [G] - are values transferred from Exhibit - 3, "Users" section column [M].
  - FY22 [H] - are values transferred from Exhibit - 3, "Users" section column [W].
- Bed Days Projected
  - FY12 [I] - ([F] * ([G] / 1000))
  - FY22 [J] - (F] * ([H] / 1000))
- Bed Levels Projected
  - FY12 [K] - ([I] / 365 / 0.85)
  - FY22 [L] - ([J] / 365 / 0.85)
- % Change from Base Year to
  - FY12 [M] - (([I] - [C]) / [C])
  - FY22 [N] - (([J] - [C]) / [C])
- Mandated Levels [O] - acute staffed SCI&D bed levels mandated by public law 107-135, public law 104-262, and VHA Directive 2000-022.
- Mandated Levels [P] - acute available SCI&D bed levels mandated by public law 107-135, public law 104-262, and VHA Directive 2000-022.
- Gap: Available vs. Projected beds
  - 2001 - 2012 [Q] - [K]-[P]
  - 2001 - 2022 [R] - [L]-[P]

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Exhibit IV-2 (cont.)

Projections with Baseline FY2001 Utilization & Mean Substitution for all VISNs (Exhibit - 2c)

This spreadsheet calculates projected bed levels by VISN for FY2012 and FY2022. The percent change from the base year (FY2001) to each projected year is calculated, mandated bed levels are displayed and the gap between projected and available beds is computed. A utilization rate of 16,215 Bed Days per 1,000 "users", the average rate for VISNs with centers, was substituted in all VISNs.

- Column contents

- VISN [A] - The VISN Number
- SCI Base Year FY01
  - Actual Admits [B] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of admit_hsc util_hsc where hsc = '11' by VISN minus 115 LTC admissions for VISN 1, 113 LTC admissions for VISN 3, and 69 LTC admissions in VISN 6.
  - Actual Bed Days [C] - Extracted from CACI/Milliman's SAS dataset "baseline_database" the sum of util_hsc where hsc = '11' by VISN. FY2001 SCI LTC bed days of care have been subtracted for VISNs 1 (6,179), 3 (4,192), and 6 (20,064).
  - Estimated Beds [D] - ([C] / 365 / 0.85)
  - Estimated SCI "Users" [E] - are values transferred from Exhibit - 3, "Users" section, column [B].
  - Bed Days Per 1,000 Enrollees [F] - ([C] / ([E] / 1000)) - 16,215 bed days per 1,000 Enrollees (average for VISNs with SCI Centers) has been substituted for all VISNs.
- Projected SCI "Users"
  - FY12 [G] - are values transferred from Exhibit - 3, "Users" section column [M].
  - FY22 [H] - are values transferred from Exhibit - 3, "Users" section column [W].
- Bed Days Projected
  - FY12 [I] - ([F] * ([G] / 1000))
  - FY22 [J] - (F] * ([H] / 1000))
- Bed Levels Projected
  - FY12 [K] - ([I] / 365 / 0.85)
  - FY22 [L] - ([J] / 365 / 0.85)
- % Change from Base Year to
  - FY12 [M] - (([I] - [C]) / [C])
  - FY22 [N] - (([J] - [C]) / [C])
- Mandated Levels [O] - acute staffed SCI&D bed levels mandated by public law 107-135, public law 104-262, and VHA Directive 2000-022.
- Mandated Levels [P] - acute available SCI&D bed levels mandated by public law 107-135, public law 104-262, and VHA Directive 2000-022.
- Gap: Available vs. Projected beds
  - 2001 - 2012 [Q] - [K]-[P]
  - 2001 - 2022 [R] - [L]-[P]

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Exhibit IV-2 (cont.)

Population and "User" Projections (Exhibit - 3)

This spreadsheet contains three sections: SCI Population, national "Users" total and "Users" by VISN Projections. The numbers are arrayed by VISN and FY. SCI Population Projections were extracted from Lasfarques, Custis, Morrone, Carswell, & Nguyen (1995) (SCI prevalence of 1,634 per million veterans) plus 25% of veterans with multiple sclerosis based on state-by-state latitude adjusted VISN multiple sclerosis prevalence rates based on Bandolier (2001). Myhr et al.,'s (2001) finding that following a fifteen-year course of multiple sclerosis, only 75.8% could manage without wheelchair use is the basis for the 25% of veterans with multiple sclerosis also receiving spinal cord injury diagnoses of tetraplegia or paraplegia. SCI "Users" at the national level are based on annual growth of 1.28% compounded annually starting with 16,665 in FY2001. SCI "User" by VISN section is computed by multiplying VISN percent of priority 1-4 enrollees times the national total SCI "User" estimates.

- **Column contents**
  - VISN [A] - The VISN Number
  - Population section: FY2001 - FY2022, columns [B]-[W] are the numbers calculated from Lasfarques, Custis, Morrone, Carswell, & Nguyen (1995) (SCI prevalence of 1,634 per million veterans) plus 25% of veterans with multiple sclerosis based on state-by-state latitude adjusted VISN-specific multiple sclerosis prevalence rates based on Bandolier (2001). Myhr et al.,'s (2001) finding that following a fifteen-year course of multiple sclerosis, only 75.8% could manage without wheelchair use is the basis for the 25% of veterans with multiple sclerosis also receiving spinal cord injury diagnoses of tetraplegia or paraplegia.
  - SCI "Users" Projections national section: FY2001 - FY2022, columns [B]-[W]: Actual FY2001 SCI&D market share was calculated by matching 22,334 living veterans in the Allocation Resource Center listing of veterans with SCI since 1988 by SSN to 18,008 records in the enrollment file. 16,665 of these veterans with SCI&D in the enrollment file had verified or pending enrollments in FY2001. ZIP Codes from the National Patient Care Database were mapped back to VISNs using the ZIP_VISN Field of File ZIP04_2002.DBF of the VA Planning Systems Support Group. Begining inFY2003 through FY2022 the estimate is based on annual growth of 1.28% (this rate is consistant with the SCI program's recommendation of 1.5% applied anually without compounding) compounded annually starting with 16,665 in FY2001.
  - SCI "Users" Projections by VISN section: FY2001 column [B] is copied from the enrollee section above, FY2002 - FY2022 columns [C]-[W]: are computed multiplying the VISN's percent of total enrollees, obtained from Exhibit 4, times the national "users" estimates. Market share is a percentage (35%) in GY2001 is calculated by dividing current "users" by the SCI population described above (16,665/47,172) and increases yearly to 69% in FY2022.

Market Share and Percent of National Enrollees Calculations by VISN by Fiscal Year (Exhibit - 4)

Estimates from CACI/Milliman, enrollment estimates based on VetPop2001Adj and adjusted for enrollment policy changes from County_fyend_census2000 SAS Dataset for priorities 1-4, Market Share and Percent of total enrollee estimates by VISN. The numbers in all sections are arrayed by VISN and FY. Market share is computed as a percent by dividing enrollees by population. VISN percent is computed by dividing each VISN's enrollee estimate by the national total.

- **Column contents**
  - VISN [A] - The VISN Number
  - Population section: FY2001 - FY2022, columns [B]-[W] are the total Veteran Population Estimates from VetPop2001Adj for priorities 1 - 4.
  - Enrollee section: FY2001 - FY2022, columns [B]-[W] are Total Enrolled Veterans Estimates extracted from CACI/Milliman, enrollment estimates based on VetPop2001Adj and adjusted for enrollment policy changes from County_fyend_census2000 SAS Dataset for priorities 1-
  - Market Share section: FY2001 - FY2022, columns [B]-[W] are (enrollees/population).
  - VISN percent section: FY2001 - FY2022, columns [B]-[W] are (enrollees/total population).

Trend Chart of Priority 1-4 National Veteran Population & Enrollee Projections FY2001 - FY2022 (Exhibit - 5)

This combination area/line chart shows trends of national population, enrollee and market share projections for all veterans priority 1 - 4 from FY2001 to FY2022.

- **Data sources:**
  - Estimates for the veteran population are from VetPop2001Adj (VetPop2001Adjusted for Census 2000) for priority 1-4.
  - Total enrollee projections are CACI/Milliman, enrollment estimates based on VetPop2001Adj and adjusted for enrollment policy changes from County_fyend_census2000 SAS Dataset, priority 1-4.
  - Market share is a percentage calculated by dividing enrollment projections by populations projections.

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Section V
VA Workload Data Manipulations

Many of the analyses conducted for ELDA projections used workload experience data files provided by VA. The most recent year of data available for these analyses is FY 2002. VA provided workload data for inpatient, outpatient, prosthetics, and prescription drug services. VA often captures its workload with definitions and units that are unique to the VA Health Care System, therefore, it is often necessary to manipulate the data for use in various analyses. The manipulations conducted on the workload data are described in subsequent sections. After these manipulations, the workload data is accessed for the Degree of Health Care Management analyses, Actual-to-Expected Analyses, Long Term Care, Special VA Programs, and VA Unit Costs, as documented in those sections of this report.

VA Inpatient Workload Data

VA captures the inpatient workload that it supplies in bed section files for both complete and incomplete (census file) stays. This workload includes acute, long term care, and non-medical bed stays. Workload data for inpatient care that VA purchases for veteran enrollees from the private sector is also provided in a fee-based workload database. All of these workload databases contain individual records for each stay with a SCSSN identifier. The SCSSN was matched against the SCSSNs in the FY 2002 master enrollment file to identify stays provided to veteran enrollees and to attach demographic data to the stay records (Enrollee Type, Priority Level, Age, Gender, etc.). Stays provided to non-veterans are excluded from the analyses.

Inpatient Stay Sorting Criteria

The inpatient workload is sorted into three major categories: Long Term Care (LTC), Non-Acute, and Acute. The VA workload experience from VHA facilities contains a bed section assignment for each record. This workload data is sorted into the three categories using the VA bed section mapping included as Exhibit V-1, with one exception. Stays belonging to the Skilled Nursing Facility (SNF) bed sections are assigned to LTC or Acute depending on the DRG recorded for the bed section. VA staff determined that SNF bed section stays with a Psychiatric DRG were more likely to be psychiatric type stays than the traditional SNF type stays provided in the private sector. Therefore, SNF bed section stays with a Psychiatric DRG are assigned to

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the Acute category, while the remaining SNF bed section stays are assigned to LTC. The bed section categories used in the VA bed section mapping are sorted into the three inpatient care categories according to the following table.

Bed Section Categories Allocated to Each Inpatient Care Category

Long Term Care	Non-Acute	Acute
SNF (non-psych DRG)	Blind Rehab	Acute - General
Nursing Home	SCI	Acute - Psychiatric
	PRRTP	SNF (psych DRG)
	PTSD PRRT	
	SARRTP	
	CWT Program	
	Respite Care	
	Res Rehab Treatment	
	STAR	

The inpatient workload from the fee-based database does not include bed section assignments. It does, however, include a field that indicates if the stay is acute or LTC (non-medical stays are not purchased from private sector facilities). VA provided a key to this field, allowing the sorting of each stay. Once these assignments were complete, the Acute stays were subject to additional criteria, which, at times, changed the stay assignment from Acute to one of the other categories. These additional criteria are described in the next section.

Acute Stay Criteria

VHA staff indicated that stays provided at certain LTC and Non-Acute facilities should always be considered the care type of that facility, even if the recorded bed section is Acute. These facilities include Nursing Home, Residential Rehabilitation Treatment, and PRRTP facilities. Therefore, any acute bed sections that were coded at one of these facilities were re-assigned to the facility's inpatient bed care category.

The bed section stays remaining in the Acute category were then subjected to a bundling process to construct complete acute stay encounters equivalent to the private sector's method of recording acute inpatient stays. To accomplish this, the DRG recorded for each bed section was assigned to either Medical/Surgical or Psychiatric/Substance Abuse. The mapping of each DRG

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to these categories is included in Exhibit V-3a. Within each of these categories, bed section stays were bundled together if they met certain criteria.

For Medical/Surgical, any contiguous acute bed sections for a veteran enrollee in the same facility were appended together to form one acute stay. The admit and discharge dates were then revised to reflect the entire bundled stay, and a new length of stay was calculated. For example, if a veteran enrollee had a 3 day stay in a Surgical ICU bed section and then transferred to a General Surgery bed section for 7 days, then this record was bundled into one stay with a 10 day length of stay. If however, the bed section stay was from a Medical/Surgical environment to a Psychiatric/Substance Abuse environment, or vice versa, the stays were not bundled together. The private sector would record this change of care environment as two separate inpatient stays, even if they were contiguous in the same facility.

For Psychiatric/Substance Abuse, contiguous acute bed sections for a veteran enrollee in the same facility were appended together to form one acute stay only if the recorded DRG for each bed section stay was the same. This criteria was imposed because changes in DRG within the Psychiatric/Substance Abuse environment also indicate a significant change of care that warrants a separate stay record.

After the bundling methodology was completed, the diagnoses data recorded for all of the stays were used to assign a DRG to each acute stay (both bundled and non-bundled stays). These DRGs were assigned using the APR-DRG Grouper.

Finally, when the VA bed section mapping was updated for FY 2002 workload data, it was discovered that the bed sections previously used for LTC psychiatric services were no longer being coded by VHA facilities and/or also being used for acute psychiatric services. As a result, none of the psychiatric bed sections were explicitly assigned as LTC psychiatric services. Consequently, stays that actually were part of LTC psychiatric services were still assigned as Acute in the analysis up to this point. To identify these stays and re-assign them to the LTC stay category, all of the psychiatric stays (using the DRG mapping) were summarized and reviewed by average length of stay. With VA assistance, it was determined that stays of 45 days or more would reasonably identify the LTC psychiatric stays. As a result, all psychiatric stays of 45 days or more were removed from the acute psychiatric workload and re-assigned to the LTC stay category.

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LTC Stay Criteria

As documented in the "Inpatient Stay Sorting Criteria," bed section stays with a bed section category of SNF or Nursing Home were assigned to the LTC stay category. This category also received additional stays from the Acute category as a result of the facility and LTC psychiatric criteria documented in the "Acute Stay Criteria" section.

Non-Acute Stay Criteria

As documented in the "Inpatient Stay Sorting Criteria," bed section stays with a bed section category of Blind Rehab, SCI, PRRTP, PTSD PRRP, SARRTP, CWT Program, Respite, Residential Rehabilitation Treatment or STAR were assigned to the non-Acute stay category. This category also received additional stays from the Acute category as a result of the facility criteria documented in the "Acute Stay Criteria" section.

FY 2002 Stay Criteria

After all of the criteria were applied to assign inpatient stays to the three inpatient care categories, the stays were subjected to further criteria to determine if they should be counted as a FY 2002 stay.

LTC and Acute stays were considered as a FY 2002 stay if they qualified as one of the following:

- A completed stay with a discharge date during FY 2002. Length of stay (LOS) was calculated by subtracting admit date from discharge date (LOS = 1 if admit date same as discharge date) with a maximum of 365. If the admit date pre-dated FY 2002, the same calculation was used, and all days, including days prior to the beginning of the fiscal year, were counted, to a maximum of 365.
- A stay still in progress at the end of FY 2002 with an admit date pre-dating FY 2002. For these multiple year stays, a LOS of 365 was counted.

Stays still in progress at the end of FY 2002 with an admit date during FY 2002 were not counted for FY 2002. While these days are not included in FY 2002 as "run-out," they are offset

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by the days allowed to "run-in" for stays that completed during FY 2002 with an admit date pre-dating FY 2002.

For Non-Acute stays, the FY 2002 bed days were counted as all of the days provided during FY 2002, regardless of the stay being complete. Bed days were counted this way for Non-Acute services for several reasons. First of all, admits are not modeled for these services, so there was not a pressing need to capture complete stays. Most importantly, many of these Non-Acute services are rapidly changing practice patterns. This method of counting bed days gives a more up to date report of current utilization rates.

VA Outpatient Workload Data

VA captures the outpatient workload that it supplies in clinic stop record files. This workload includes up to twelve CPT codes recorded for each clinic stop record, as well as date of service and facility site of care. Workload data for outpatient care that VA purchases for veteran enrollees from the private sector is also provided in a fee-based workload database. All of these workload databases contain individual records with a SCSSN identifier. The SCSSN was matched against the SCSSNs in the FY 2002 master enrollment file to identify care provided to veteran enrollees and attach demographic data to the records (Enrollee Type, Priority Level, Age, Gender, etc.). Services provided to non-veterans are excluded from the analyses.

For the FY04 ELDA update, the outpatient service lines were expanded to identify special VA services. The outpatient service areas in the model now include Ambulatory (services with a private sector counterpart), OP Mental Health VA programs, and Compensation & Pension Exams. A specially assembled VA mental health work group defined the workload associated with the OP Mental Health VA programs using clinic stop locations. Therefore, the workload experience for these services was identified using the clinic stop assignments in the data. The units counted for these services are clinic stop counts. The clinic stops assigned to each OP Mental Health VA program HSC are listed in Table V-1.

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Table V-1
OP Mental Health VA Program Clinic Stops

Primary Stop Code	HSC	Stop Code Name	Workload Description
505	102	Day Trmt-Ind	MHSDP Day Treatment Program
553	102	Day Trmt-Grp	MHSDP Day Treatment Program
581	102	PTSD Day Treat	MHSDP Day Treatment Program
522	103	HUD-VASH	MHSDP Homeless Program
529	103	HCHV/HMI	MHSDP Homeless Program
590	103	COMM OUTR HMLS-STAFF	MHSDP Homeless Program
523	104	OPOID SUSTITUTION	MHSDP Methadone Treatment Program
552	105	Mental Health Int (MHICM)	MHSDP MHICM Program
535	106	MH Vocat Assist	MHSDP Work Therapy Program
573	106	MH Incent Wk Ther-Grp	MHSDP Work Therapy Program
574	106	MH Comp Wk Ther-Grp	MHSDP Work Therapy Program
575	106	MH Vocat Assist-Grp	MHSDP Work Therapy Program
121	107	RESID CARE-NON MH	MHSDP Community MH Residential Care
503	107	MEN HLTH RESID CARE	MHSDP Community MH Residential Care

VA also identified certain clinic stop locations that provide workload that is not specifically included in the model's service lines. This includes services such as chaplain, telephone triage, and bereavement counseling. While the expenditures for these services are included in the unit cost development for Ambulatory services, the utilization is not projected. Therefore, the workload associated with these services was not assigned to any Ambulatory service categories. In addition, the workload associated with clinic stops for Home Health and Adult Day Health Care were also excluded from Ambulatory service category assignments, as workload for these services is projected in the Home Health service line. Exhibit V-2 contains a list of all of the clinic stops excluded from Ambulatory service category assignments due to the various reasons described above.

For workload associated with the remaining clinic stop locations, CPT codes are mapped to an outpatient Milliman health care service line (HSC) using the CPT mapping in Exhibits V-3a and V-3b. This mapping also includes Level II CPT codes, more commonly known as HCPCS (Health Care Financing Administration Common Procedure Coding System) codes. Not every published code is assigned to a health care service line. Unmapped codes are typically supplies, educational materials, non-medical transport, etc. that are not counted as health care services. If a single clinic stop record contains more than one code that falls into specific services, only one of these codes is counted. VA staff indicated that these codes should only be counted once

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because it is likely a situation where both the attending physician and nurse recorded a code for the same service. The services that are affected by this rule include Office Visits, Emergency Services and Physical Exams. VA also advised that Pathology panels are often coded by recording a code for each individual test in the panel, rather than using the CPT code reflective of the entire panel. Therefore, when individual CPT codes consisting of an entire panel were recorded, they were counted as one Pathology service.

VA Prosthetics Workload Data

VA supplies their health care system with Prosthetics and related items using national dispensaries. Another enhancement to the modeling process was the introduction of FY 2002 data sets from National Prosthetics Data (NPPD) and Denver Distribution Center (DDC) that included all of the units dispensed for the fiscal year, including the HCPCS code, description, costs, and SCRSSN for each unit. The Prosthetics workload data includes medical items and supplies that are represented by the following model service lines:

- Glasses/Contacts
- Hearing Aids
- Durable Medical Equipment (DME)
- Prosthetics
- VA Program Equipment and Services

The Prosthetics workload data was first sorted into detailed HCPCS Categories using the Berenson-Eggers Type of Service mapping developed by Centers for Medicare and Medicaid Services (CMS), the service definition included in Milliman's *Health Cost Guidelines*™, and analysis of the HCPCS descriptions, as necessary. CMS classifies HCPCS using Berenson-Eggers Type of Service (BETOS) codes. These codes are assigned for each HCPCS procedure code. CMS developed the BETOS coding system primarily for analyzing the growth in Medicare expenditures. The coding system:

a) covers all HCPCS codes;
b) assigns a HCPCS code to only one BETOS code;
c) consists of readily understood clinical categories (as opposed to statistical or financial categories);
d) consists of categories that permit objective assignment; is stable overtime; and
e) is relatively immune to minor changes in technology or practice patterns.

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The resulting HCPCS categories are contained in Exhibit V-4. Each HCPCS category was further assigned to a modeled service line. These assignments, as well as the total expenditures and average cost per unit, are also displayed in this exhibit. As noted in the exhibit, the Surgical Implant category was not assigned to one of the prosthetics service lines as it contains units dispensed during an Inpatient stay. Consequently, the costs for these items are already reflected in the Surgical per diems. The prosthetic service lines discussed here represent units supplied on an outpatient basis.

The VA Program Equipment and Services model line was developed to account for services and supplies that are provided by VA programs. Unlike the other prosthetic service lines, these services and supplies are not typically included in private sector benefits. The HCPCS categories that were assigned to VA Program Equipment and Services are usually made up of VA "home grown" HCPCS codes, and were developed specifically by VA. These HCPCS categories include Blind Aids, Daily Living Aids, Environmental Control Units, and specially defined DME and related services.

The VA Program Equipment and Services model line does not have a private sector counterpart. Therefore, a modeling basis for this service line was developed using the FY 2002 prosthetics workload data. A description of this modeling methodology is included in Section IV- Special VA Program Projections.

Once the prosthetic units were assigned into model service lines, the SCSSN was matched against the SCSSNs in the FY 2002 master enrollment file to attach demographic data to the records (Enrollee Type, Priority Level, Age Band). The total utilization and expenditures were then summarized by each Enrollee Type, Priority Level, and Age Band combination for each service line. The prosthetics data contained a small amount of supplies (less than 1% of expenditures) that could not be attributed to individual SCRSSNs. This data was summarized by service line; the utilization and expenditures were then spread proportionally over the demographic cohorts. Likewise, the prosthetics data contained a small amount of units that were provided to non-veteran patients. The utilization for this population is excluded from the projection model, however, the costs of these units were allocated to the demographic cohorts, as the modeled unit costs do reflect all of the expenditures experienced by VA.

For some HCPCS categories the cost of the items should be included in the service line, but it is not appropriate to include the units in the utilization counts. For example, the Hearing Aid service line includes the following HCPCS categories: Hearing Aid Supplies, Hearing Aids,

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Hearing Service, Hearing Items, and Speech Service. The modeled utilization for Hearing Aids should reflect just the hearing aid unit count, while the unit cost should be loaded for the cost of the batteries, fittings, etc. Therefore, the modeled utilization for Hearing Aids includes only the Hearing Aids and Hearing Items categories. However, the Hearing Aid unit cost was calculated by dividing to the total expenditures for all of the categories by the modeled utilization count.

Based on discussions with VA, it was also determined that a portion of the DME units reported in the prosthetics data were provided during inpatient stays. To adjust the modeled utilization and expenditures for DME to an outpatient basis, $115,000,000 was removed from DME proportionally across all of the demographic cohorts. The cost per unit of the DME removed to inpatient was assumed to be the same as the outpatient unit cost, therefore, the same proportion of utilization was also removed from the demographic cohorts.

After these allocations and adjustments, the utilization counts by demographic cohort were ready for use in the Actual-to-Expected analysis (see Section VI). The utilization and expenditures for each modeled service line were also used to develop VA unit costs and unit cost intensity adjustments (see Section VII).

VA Prescription Drug Workload Data

VA captures the prescription drug workload that it supplies in clinic files with individual prescription detail. This workload includes a 30-day prescription equivalent count for prescriptions dispensed via mail order. Workload data for prescription drugs that VA purchases for veteran enrollees from the private sector is also provided. This data contains individual records with a SCSSN identifier. The SCSSN was matched against the SCSSNs in the FY 2002 master enrollment file to identify prescription drugs provided to veteran enrollees and attach demographic data to the records (Enrollee Type, Priority Level, Age, Gender, etc.). Prescription drugs provided to non-veterans were excluded from the analyses. For analyses used in ELDA, prescription drugs were counted using the 30-day prescription drug count provided in each record.

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Exhibit V–1
Database Mapping and Methodology

Bed Section Mapping to Bed Section Categories

Bed Section	Definition	Bed Section Category
-99	99FY84 ONLY	Unclassified
1	ALLERGY	Acute - General[1]
2	CARDIOLOGY	Acute - General[1]
3	PULMONARY TB	Acute - General[1]
4	PULM NON-TB	Acute - General[1]
5	GERONTOLOGY	Acute - General[1]
6	DERMATOLOGY	Acute - General[1]
7	ENDOCRINOLOGY	Acute - General[1]
8	GASTROENTEROLOGY	Acute - General[1]
9	HEMATOLOGY/ONCOLOGY	Acute - General[1]
10	NEUROLOGY	Acute - General[1]
11	EPILEPSY CENTER	Acute - General[1]
12	MEDICAL ICU	Acute - General[1]
14	METABOLIC	Acute - General[1]
15	GEN(ACUTE) MED	Acute - General[1]
16	CARDIAC STEP DOWN	Acute - General[1]
17	TELEMETRY	Acute - General[1]
18	NEUROLOGY OBS	Acute - General[1]
19	STROKE	Acute - General[1]
20	REHAB MEDICINE	Acute - General[1]
21	BLIND REHAB	Blind Rehab
22	SPINAL CORD INJ	SCI
23	SCI OBSERVATION	SCI
24	MEDICAL OBSERVATION	Acute - General[1]
25	PSYC RES REHAB TRMT	PRRTP
26	PTSD RES REHAB PGM	PTSD PRRP & Dom PTSD
27	SUB ABUSE RES REHAB	SARRTP & SA Dom
28	HCMI CWT/TR	CWT Program
29	SA CWT/TR	CWT Program
31	GEM ACUTE MEDICINE	Acute - General[1]
32	GEM INTERMEDIATE	SNF[2]
33	GEM PSYCHIATRY	Acute - Psychiatric[1]
34	GEM NEUROLOGY	Acute - General[1]
35	GEM REHAB	Acute - General[1]
36	BLIND REHAB OBS	Blind Rehab
37	DOM CARE HMLS(DCHV)	Domiciliary
38	PTSD/CWT/TR	CWT Program
39	GENERAL CWT/TR	CWT Program
40	INTERMEDIATE MED	SNF[2]
41	REHAB MEDICINE OBS	Acute - General[1]
50	SURGERY (GEN)	Acute - General[1]

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Exhibit V-1 (cont.)

Bed Section	Definition	Bed Section Category
51	GYNECOLOGY	Acute - General[1]
52	NEUROSURGERY	Acute - General[1]
53	OPTHALMOLOGY	Acute - General[1]
54	ORTHOPEDIC	Acute - General[1]
55	EAR,NOSE&THROAT	Acute - General[1]
56	PLASTIC SURGERY	Acute - General[1]
57	PROCTOLOGY	Acute - General[1]
58	THORACIC SURGERY	Acute - General[1]
59	UROLOGY	Acute - General[1]
60	ORAL SURGERY	Acute - General[1]
61	PODIATRY	Acute - General[1]
62	PERIPHERAL VASCULAR	Acute - General[1]
63	SURGICAL ICU	Acute - General[1]
65	SURGICAL OBS	Acute - General[1]
70	ACUTE PSYCH	Acute - Psychiatric[1]
71	LONG-TERM PSYCH	Acute - Psychiatric[1]
72	ALCOH DEPEND-HI INT	Acute - Psychiatric[1]
73	DRUG DEPEND-HI INT	Acute - Psychiatric[1]
74	SUBS ABUSE-HI INT	Acute - Psychiatric[1]
75	HALFWAY HOUSE	Unclassified
76	PSYCH MED INFIRM	Acute - Psychiatric[1]
77	PSYCH RES REHAB	PRRTP
79	SPEC INP PTSD UNIT	Acute - Psychiatric[1]
80	NURSING HOME CARE	Nursing Home
81	GEM NHCU	Nursing Home
83	RESPITE CARE	Respite Care
84	PSY SA (INTER CARE)	Acute - Psychiatric[1]
85	DOMICILIARY	Domiciliary
86	DOM SUBSTANCE ABUSE	SARRTP & SA Dom
87	GEM DOMICILIARY	Domiciliary
88	DOM PTSD	PTSD PRRP & Dom PTSD
89	STAR I,II,&III PGMS	STAR
90	SUB AB STAR1,11,111	STAR
91	EVAL/BRF TRMT PTSD	Acute - Psychiatric[1]
92	PSYC-GENERAL INTER	Acute - Psychiatric[1]
93	HI INT GEN PSCH-INP	Acute - Psychiatric[1]
94	PSYCHIATRIC OBS	Acute - Psychiatric[1]
95	NHCU LONG TERM CARE	Nursing Home
96	NHCU HOSPICE LTC	Nursing Home
98	NON-DOD BEDS	Unclassified
99	DOD BEDS	Unclassified

[1] If the bedsection is coded by a Nursing Home, SNF, Domiciliary, or PRRTP Facility then it is not considered to be the indicated bed type. Instead it is classified according to the treating facility.

[2] Unless determined to be a psychiatric stay.

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Exhibit V–2
FY 2002 Stop Codes Excluded From VA Ambulatory Service Lines

PrimaryStopCode	Stop Code Name	Workload Description
103	TELEPHONE TRIAGE	Telephone Care
118	HOME TRTMT SVCS	Excluded Workload
119	CNH FOLLOW-UP	Excluded Workload
121	RESID CARE-NON MH	MHSDP Community MH Residential Care
147	PHONE/ANCILLARY	Telephone Care
148	PHONE/DIAGNOSTIC	Telephone Care
160	CLINICAL PHARM	Excluded Workload
163	CHAPLAIN-CLIN SVC IND	Chaplain
164	CHAPLAIN-CLIN SVC GRP	Chaplain
165	BEREAVE. COUNSEL	Dependent Care
166	CHAPLAIN-IND	Chaplain
167	CHAPLAIN-GROUP	Chaplain
168	CHAPLAIN COLLATERAL	Chaplain
169	TELEPHONE/CHAPLAIN	Telephone Care
170	HBPC PHYSICIAN	HBPC
171	HBPC-RN/RNP/PA	HBPC
172	HBPC-NURSE EXTEND	HBPC
173	HBPC-SOCIAL WORK	HBPC
174	HBPC-THERAPIST	HBPC
175	HBPC DIETICIAN	HBPC
176	HBPC-CLIN PHARMACY	HBPC
177	HBPC-OTHER	HBPC
178	TELEPHONE/HBHC	Telephone Care
179	TELE HOME CARE	Telephone Care
180	DENTAL	Dental
181	TELEPHONE/DENTAL	Telephone Care
190	ADULT DAY HEALTH	HBPC
202	REC THERAPY SERVICES	Recreational Therapy
215	SCI HOME PROGRAM	Excluded Workload
216	PHONE REHAB SUPP	Telephone Care
324	PHONE MEDICINE	Telephone Care
325	PHONE NEUROLOGY	Telephone Care
326	PHONE GERIATRICS	Telephone Care
351	ADV ILL COORD (AICC)	Excluded Workload
424	PHONE SURGERY	Telephone Care
425	TELE/PROSTH/ORTH	Telephone Care
428	TELEPHONE OPTOMETRY	Telephone Care
451	451-LOCAL CREDIT PAIR	Excluded Workload
452	452-LOCAL CREDIT PAIR	Excluded Workload
453	453-LOCAL CREDIT PAIR	Excluded Workload
454	SPECIAL REGISTRY 5	Excluded Workload
455	455-LOCAL CREDIT PAIR	Excluded Workload
456	SPECIAL REGISTRY 6	Excluded Workload
459	SPECIAL REGISTRY 8	Excluded Workload
460	460-LOCAL CREDIT PAIR	Excluded Workload

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Exhibit V-2 (cont.)

PrimaryStopCode	Stop Code Name	Workload Description
460	460-LOCAL CREDIT PAIR	Excluded Workload
461	SPECIAL REGISTRY 1	Excluded Workload
462	462-LOCAL CREDIT PAIR	Excluded Workload
463	463-LOCAL CREDIT PAIR	Excluded Workload
467	467-LOCAL CREDIT PAIR	Excluded Workload
469	SPECIAL REGISTRY 2	Excluded Workload
470	SPECIAL REGISTRY 3	Excluded Workload
473	473-LOCAL CREDIT PAIR	Excluded Workload
474	RESEARCH	Excluded Workload
475	475-LOCAL CREDIT PAIR	Excluded Workload
477	477-LOCAL CREDIT PAIR	Excluded Workload
481	481-LOCAL CREDIT PAIR	Excluded Workload
485	485-LOCAL CREDIT PAIR	Excluded Workload
503	MEN HLTH RESID CARE	MHSDP Community MH Residential Care
505	Day Trmt-Ind	MHSDP Day Treatment Program
522	HUD-VASH	MHSDP Homeless Program
523	OPOID SUSTITUTION	MHSDP Methadone Treatment Program
527	PHONE GENERAL PSYCH	MH Telephone Care
528	PHONE/HMLESS MENT ILL	MH Telephone Care
529	HCHV/HMI	MHSDP Homeless Program
530	TELEPHONE/HUD-VASH	MH Telephone Care
535	MH Vocat Assist	MHSDP Work Therapy Program
536	TELE/MH VOC ASSIST	MH Telephone Care
537	TELE PSYC/SOC REHAB	MH Telephone Care
542	TELEPHONE PTSD	MH Telephone Care
545	TELE SUBSTANCE ABUSE	MH Telephone Care
546	TELEPHONE/MHICM	MH Telephone Care
552	Mental Health Int (MHICM)	MHSDP MHICM Program
553	Day Trmt-Grp	MHSDP Day Treatment Program
573	MH Incent Wk Ther-Grp	MHSDP Work Therapy Program
574	MH Comp Wk Ther-Grp	MHSDP Work Therapy Program
575	MH Vocat Assist-Grp	MHSDP Work Therapy Program
579	TEL/PSYCHOGERIATRICS	MH Telephone Care
581	PTSD Day Treat	MHSDP Day Treatment Program
590	COMM OUTR HMLS-STAFF	MHSDP Homeless Program
611	TELEPHONE DIALYSIS	Excluded Workload
650	CONTRACT NH DAYS	Excluded Workload
656	DOD NON-VA CARE	Excluded Workload
670	ASSIST LIVING VHA-PAID STAFF	Excluded Workload
680	HOME/COMM ASSESS	Excluded Workload
681	VA-PD HOME/COMM HC	Excluded Workload
682	VA-REF HOME/COMM CARE	Excluded Workload
725	DOM OUTREACH SERVICE	Excluded Workload
726	DOM AFTERCARE COMMUN	Excluded Workload
727	DOM AFTERCARE-VA	Excluded Workload
728	DOM ADMIT/SCREEN SVC	Excluded Workload
729	TELEPHONE/DOMICILIARY	Telephone Care
801	IN-VISN OTHER VAMC 2-103	Excluded Workload

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Exhibit V-3a

Type of Service	*Procedure Codes (DRG or HCPCS)*	*Comments*
Inpatient Hospital		
Non-Maternity		
Medical	9-35, 43-48, 64-74, 78-102, 112, 115-118, 121-145, 172-190, 202-208, 235-256, 271-284, 294-301, 316-333, 346-352, 366-369, 376-377, 385-390, 395-399, 403-405, 409-414, 416-423, 444-460, 462-467, 469-470, 473-475, 487, 489-490, 492, 504-511	Reflects DRG Grouper 17 & 18
Surgical	1-8, 36-42, 49-63, 75-77, 103-111, 113-114, 119-120, 146-171, 191-201, 209-234, 257-270, 285-293, 302-315, 334-345, 353-365, 392-394, 400-402, 406-408, 415, 424, 439-443, 461, 468, 471-472, 476-486, 488, 491, 493-503	Reflects DRG Grouper 17 & 18
Psychiatric	425-432	Reflects DRG Grouper 17 & 18
Alcohol/Drug	433-438	Reflects DRG Grouper 17 & 18
Maternity		
Deliveries	370-375, 391	Reflects DRG Grouper 17 & 18
Non-Deliveries	378-384	Reflects DRG Grouper 17 & 18
Ambulatory		
Allergy Immunotherapy	95115-95199	
Allergy Testing	95004-95078	Count Tests
Anesthesia	00100-00841, 00843-00849, 00858-00945, 00947-00954, 00956-01959, 01962-01963, 01965-01966, 01969-09999, 99100-99142	
Cardiovascular	92950-92971, 92975-92979, 93000-93350, 93539-93556, 93600-93799, G0004-G0007, G0015-G0016, M0300-M0302, S3902-S3904, S9025, S9109, S9472	
Consults	99241-99275	
Emergency Room Visits	99217-99220, 99281-99288, G0244	
Glasses/Contacts/Hearing Aids	92325-92326, 92340-92342, 92370, 92390-92392, S0500, S0580-S0590, V2020-V2599, V2700-V2781, V2799, V5011-V5298	
Hearing/Speech Exams	92506-92510, 92551-92599, V5008-V5010, V5299, V5362-V5364	
Immunizations	90471-90749, G0008-G0010, G0190-G0192	
Inpatient Visits	90816-90829, 99221-99239, 99290-99299, 99300-99319, 99356-99357, 99430-99431, 99433-99449, H0008-H0011, H0017-H0019, S9526	
Maternity Deliveries	00850-00857, 00946, 00955, 01960-01961, 01967-01968, 59400-59430, 59500-59524, 59526-59614, 59618-59622, 59898-59899	Only count cases for codes 59400-59410, 59510-59515, 59610-59614. Codes with assistant surgeon or anesthesia modifier, or with specialty = anesthesia, are included for procedure and charges, but do not result in a case.
Maternity Non-Deliveries	00842, 01964, 59000-59350, 59812-59871, 59898-59899	Must count cases separately for codes 59000-59350, 59812-59871, 59898. Codes with assistant surgeon or anesthesia modifier, or with specialty = anesthesia, are included for procedure and charges, but do not result in a case.

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Exhibit V-3b

Type of Service	*Procedure Codes (DRG or HCPCS)*	*Comments*
Miscellaneous Medical	36415, 90901, 90911, 90918-90999, 91000-91299, 92018-92287, 92311-92313, 92315-92317, 92330, 92335, 92352-92358, 92371, 92393-92499, 92502-92504, 92511-92526, 92531-92548, 93875-93990, 94010-94799, 95250, 95805-96004, 96100-96117, 96150-96155, 96400-96549, 96567-96571, 96900-96999, 97802-97804, 99000-99070, 99090-99091, 99170, 99175-99199, 99360, A4650-A4929, A6000-A6406, G0001-G0002, G0025-G0027, G0108-G0118, G0128, G0166-G0167, G0175, G0184-G0187, G0193-G0195, G0197-G0201, G0237-G0239, G9001-G9016, J7330-J7340, J7500-J7599, J8499, J8510-J9999, K0415-K0416, M0075-M0100, P9010-P9615, Q0083-Q0085, Q0144, Q0163-Q0181, Q0183-Q0185, Q2001, Q3014, S0012-S0014, S0088, S0091, S0155-S0157, S0170, S0172-S0176, S0177-S0183, S0187, S0189, S0630, S0820-S0830, S1025, S2202, S3818-S3837, S3900, S5000-S5001, S8110, S8950, S9015, S9023, S9055-S9056, S9075, S9090, S9140-S9141, S9435-S9470, S9473-S9474, S9526-S9529, S9533, V2785-V2790	
Office/Home Visits	99201-99215, 99321-99355, 99358-99359, 99361-99380, 99499, G0179-G0182, S0220-S0260, S0340-S0342, S9083, S9088	
Outpatient Psychiatric & Alcohol/Drug	90801-90815, 90830-90899, H0001-H0007, H0012-H0016, H0020-H1005, M0064, S9475	
Pathology	80048-89399, G0103, G0107, G0123-G0124, G0141-G0148, P2028-P7001, Q0091, Q0111-Q0115, S2120, S3600-S3708	
Physical Exams	99382-99387, 99392-99397, 99401-99429, G0101-G0102, S0605-S0612	
Physical Medicine	97001-97750, 97799, 98925-98929, G0129, Q0086	
Radiology	70000-79999, A4641-A4647, A9500-A9700, G0030-G0050, G0122, G0125-G0126, G0130-G0132, G0163-G0165, G0173-G0174, G0178, G0188, G0196, G0202-G0236, G0242-G0243, Q0035, Q0092, Q3001-Q3012, R0070-R0076, S8030-S8092, S9024	
Surgery	10021-36410, 36420-55899, 56405-58301, 58340-58960, 58999, 59525, 60000-69020, 69100-69990, 92973-92974, 92980-92998, 93501-93536, 93561-93572, G0104-G0106, G0120-G0121, G0127, G0168, S0206, S0400, S0601, S2052-S2115, S2140-S2180, S2205 S2250, S2300-S2411, S3906, S8001, S9022, S9085 except codes listed under Sterilizations.	
Sterilizations	55250, 56301-56303, 58600-58615, 58662, 58670-58671	
Therapeutic Injections	90281-90399, 90780-90799, J0120-J7320, Q0081, Q0136, Q0160-Q0161, Q0187, Q2002-Q2022, Q3013, Q9920-Q9940, S0009, S0016-S0087, S0092-S0096, S0171, S5002-S5014,S5022	
Vision Exams	92002-92015, 92310, 92314, 99172-99173, S0592, S0620-S0621	
Compensation & Pension Exams	99450, 99455, 99456	

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Exhibit V–4

VA Prosthetics Data Analysis
HCPCS Category Descriptions and Mapping

HCPCS Category	Description	VA Model Line	Total Cost	Unit Cost	Modeled Utilization
C-Codes Prosthetics	*Temporary codes that change annually, assigned to prosthetics based on code descriptions*	Prosthetics	45,065,861	2,392.54	YES
DME - Hospital beds	*Defined by BETOS, included in HCG DME description*	DME	14,863,244	254.66	YES
DME - Medical/surgical supplies	*Defined by BETOS, included in HCG DME description*	DME	2,636,562	45.87	YES
DME - Medical/surgical supplies (HCG Misc. Med Other)	*Defined by BETOS, included in HCG Misc. Med. Description*	DME	487	243.50	YES
DME - Orthotic devices	*Defined by BETOS, included in HCG DME description*	DME	35,793,713	88.91	YES
DME - Orthotic devices (HCG Prosthetics)	*Defined by BETOS, included in HCG Prosthetics description*	Prosthetics	68,149,545	229.30	YES
DME - Other DME	*Defined by BETOS, included in HCG DME description*	DME	65,032,404	76.03	YES
DME - Other DME (non HCG)	*Defined by BETOS, noted as excluded in HCG descriptions*	VA Program Equipment and Services	1,012,298	58.01	YES
DME - Oxygen and supplies	*Defined by BETOS, included in HCG DME description*	DME	73,822,756	73.90	YES
DME - Wheelchairs	*Defined by BETOS, included in HCG DME description*	DME	80,220,167	405.23	YES
Dental Supplies	*CMS defines HCPCS codes that begin with D as dental, descriptions implied supplies as opposed to services*	DME	2,081,185	257.83	YES
ESRD Supplies	*Defined by BETOS, included in HCG Misc. Medical description*	DME	4,836,235	40.24	YES
ESRD Supplies (HCG DME)	*Defined by BETOS, included in HCG DME description*	DME	374,593	312.94	YES

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Exhibit V-4 (cont.)

HCPCS Category	Description	VA Model Line	Total Cost	Unit Cost	Modeled Utilization
Hearing Aid Supplies	*Defined by BETOS as Hearing Item, mostly hearing aid batteries*	Hearing Aids	4,376,068	0.26	NO
Hearing Aids	*Defined by BETOS as Hearing Item*	Hearing Aids	90,013,595	247.65	YES
Hearing Items	*Defined by BETOS as Hearing Item, amplifier and caption devices*	Hearing Aids	138,520	131.80	YES
Hearing Service	*Defined by BETOS as Hearing Item, hearing aid fittings*	Hearing Aids	175,284	59.56	NO
Other - Enteral and parenteral	*Defined by BETOS, included in HCG DME Description*	DME	545,284	288.51	YES
S-Codes DME - Medical/surgical supplies	*Temporary codes that change annually, assigned to DME supplies based on code descriptions*	DME	78,167	125.27	YES
S-Codes DME - Other DME	*Temporary codes that change annually, assigned to DME other based on code descriptions*	DME	426,293	238.55	YES
S-Codes Vision Items - Lenses	*Temporary codes that change annually, assigned to Lenses based on code descriptions.*	Glasses/Contacts	17,065	46.00	YES
Speech Services	*Defined by BETOS, only code with VA workload is Hearing Item Repair*	Hearing Aids	27,147	226.22	NO
Unknown	*Unit and Cost records in VA data without a HCPCS Code assignment*	VA Program Equipment and Services	2,179,611	11.22	YES
VA Defined Blind Aids	*VA "home grown" codes beginning with BA, such as braille poker chips, crock pots, non-skid plates, etc.*	VA Program Equipment and Services	9,352,351	156.01	YES
VA Defined DME	*VA "home grown" codes beginning with VA to indicate specially defined codes, identified as DME, Services, or Supplies based on VA description*	VA Program Equipment and Services	37,449,929	254.63	YES

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Exhibit V-4 (cont.)

HCPCS Category	Description	VA Model Line	Total Cost	Unit Cost	Modeled Utilization
VA Defined Daily Living Aids	*VA "home grown" codes beginning with DL, such as pillows, reachers, sock aids, utensil holders, car door openers, etc*	VA Program Equipment and Services	1,675,536	16.23	YES
VA Defined Environment Control Unit	*VA "home grown" codes beginning with ECU to indicate environmental control units supplied to the veteran patient*	VA Program Equipment and Services	1,724,073	1,441.53	YES
VA Defined Home Improvement Structural Alterations	*VA "home grown" codes beginning with HISA to indicate home improvement structural alterations performed for the veteran patient*	VA Program Equipment and Services	5,729,632	2,003.37	YES
VA Defined Service	*VA "home grown" codes beginning with VA to indicate specially defined codes, identified as DME, Services, or Supplies based on VA description*	VA Program Equipment and Services	1,632,870	62.20	YES
VA Defined Supply	*VA "home grown" codes beginning with VA to indicate specially defined codes, identified as DME, Services, or Supplies based on VA description*	VA Program Equipment and Services	128,944	10.80	YES
VA Defined Surgical Implants	*VA "home grown" codes beginning with SI, appear to be prosthetic implants with more specific descriptions than existing prosthetics codes*	Included in Inpatient Surgical Services	113,851,185	1,935.82	NO
VA Defined Unknown HCPCS	*VA HCPCS label of UNKNOWN in HCPCS field*	VA Program Equipment and Services	1,544,352	170.57	YES
Vision Items - DME	*Defined by BETOS as Vision Item, included in HCG DME description*	DME	2,393,680	71.77	YES
Vision Items - Frames	*Defined by BETOS as Vision Item*	Glasses/Contacts	292,658	33.45	YES
Vision Items - Lenses	*Defined by BETOS*	Glasses/Contacts	28,339,699	48.34	YES
Vision Items - Prosthetics	*Defined by BETOS as Vision Item, included in HCG Prothetics description*	Prosthetics	2,909,207	175.04	YES
Vision Service - MSC	*Defined by BETOS as Vision Item, more specific lable assignment was created*	Glasses/Contacts	484,592	22.07	NO
Total			699,374,303	32.11	

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Section VI
Actual-to-Expected Analysis

The actual to expected adjustment compares the actual FY 2002 VA workload to what the model projected on a national basis for the same year for the same population and adjusts for differences. The adjustment makes the model's future projections more accurate by accounting for factors such as unmeasured morbidity, reliance, and degree of community management. The Actual-to-Expected adjustment factors that are developed in this analysis fine-tune the model's predictive capabilities. In the private sector, this type of adjustment factor is referred to as an experience adjustment factor and is widely used to improve estimates of future health care utilization.[1] The adjustment factors are developed at the national level and therefore, they do not reflect variations by VISN, facility or county of residence. They only reflect, to the extent that it exists, VA variations at the national level. Performing actual-to-expected adjustments at greater levels of detail has been avoided due to credibility issues.

Purpose of the Actual-to-Expected Adjustment in the VA Enrollee Health Care Projection Model

In order for projections of future utilization to be accurate and useful, the projections must be derived from a robust projection methodology. Two essential attributes of a robust projection are:

1. The projection must start from an accurate and useful assessment of the current state.
2. The projection must decompose the causes of future changes into components that can be modeled.

The modeling approach used in the VA Enrollee Health Care Projection Model (the Model) follows these attributes. First, the Model attempts to accurately model the current utilization in the VA Health Care system. Second, the Model attempts to project future changes in utilization by projecting changes in the components of those patterns.

[1] It should be noted that this adjustment is <u>not</u> intended to adjust the model for local VA supply constraints or other variations.

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The research into Morbidity, Reliance, Area, Age/Gender, Degree of Community Management and many other factors contribute an essential role to the attempt to accurately model the current utilization patterns evident in the VA healthcare system. The composite of all of these factors is referred to in the Actual-to-Expected analysis as the "Expected" utilization. This composite could also be described as "Explained" utilization. That is, the models are able to explain utilization patterns, to the extent that they match the "Expected" values.

The current utilization patterns, that is the "Actual" utilization, can be expressed as the product of the "Explained" utilization and the "Unexplained" utilization. The Unexplained utilization can be alternately described as "Model Error". The Actual-to-Expected factor is this value.

Because the Actual-to-Expected factor represents utilization for which no explanation is available, there is no means within a projection tool to predict how the Actual-to-Expected factor would change over time. Thus, the Actual-to-Expected factor becomes a static artifact of the effort to adjust the Explained utilization to match the Actual Utilization. It is the composite of all unexplained variations in utilization, of which supply is only one small component.

Projections reflect the changes that relate to causes that can be identified. These causes include changes in the demographic makeup of the enrolled veteran population; changes in the medical benefits package offered to enrolled veterans; changes in the market demand for medical services; changes in the way VA manages health care services; and other changes such as provider practice patterns and treatment tendencies.

Once the model calibration is done via the Actual-to-Expected adjustments, all of the factors that are used to build the Expected utilization patterns take a leading role in the projections of utilization into the future. Morbidity, Reliance, Age/Gender, Area, Degree of Management and Trend all contribute to the projection of how future utilization patterns will change. These factors are designed to reflect those changes we can attempt to model: demographic changes, benefit changes, medical trend, constraints on reliance and changes in VA management.

Development of Actual-to-Expected Adjustments

The step-by-step process that is used to develop the Actual-to-Expected adjustment factors includes seven steps:

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1. Develop detailed expected FY 2002 utilization estimates using the model at the Sector, Age Group (Under Age 65 and Ages 65 and Over), Enrollee Type, Priority Level and Health Care Service category (HSC) level.
2. Composite the resulting expected FY 2002 utilization rates to develop composite utilization rates for each Age Group, Enrollee Type, and Priority Level combination at the national level for each HSC.
3. Calculate the actual utilization rates for FY 2002 from VA workload for each HSC at the national level for each Age Group, Enrollee Type and Priority Level combination.
4. Compare the FY 2002 actual utilization rates with the modeled expected utilization rates to develop Actual-to-Expected adjustment factors that vary by Age Group, Enrollee Type, Priority Level and HSC. Some HSCs are combined due to credibility and/or data quality issues. These HSCs are noted parenthetically on Exhibit VI-1, to indicate their groupings.
5. Credibility adjusts the resulting raw, Actual-to-Expected adjustment factors when the actual VA workload experience for a particular HSC combination is not considered fully credible.
6. Develop detailed utilization projections at the Sector, Age Group, Enrollee Type, Priority Level and HSC level for all fiscal years included in the projection model.
7. Apply the appropriate Actual-to-Expected adjustment factor to each detailed model. (For example, for the Cook County Enrollee Pre, Ages 65 & Over, Priority Level 5 projections, the National, Enrollee Pre, Ages 65 & Over, Priority 5 Actual-to-Expected adjustment factors for each HSC would be applied.)

Development of Actual-to-Expected Adjustment Factors

FY 2002 VHA utilization experience for prescription drugs, inpatient stays, ambulatory (outpatient physician) services, and prosthetic units was obtained from VA. FY 2002 projections were developed using actual FY 2002 enrollment and the model with all FY04 ELDA enhancements and factor updates. These results were compared to actual FY 2002 VA utilization. The results of this analysis are presented in Exhibit VI-1.

Exhibit VI-1 details the Actual-to-Expected ratios by HSC on a national basis over all Age Groups, Priority Levels, and Enrollee Types. The actual utilization was developed from the FY 2002 workload and the FY 2002 Fee-Based-Care data sets combined. The expected utilization was developed using the model with assumptions that are appropriate to FY 2002. The Actual-

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to-Expected utilization ratios demonstrate how well the model would have predicted FY 2002 experience. The residual adjustments to the private sector benchmarks that were not fully captured by all of the adjustments described in this document were determined from this analysis. Since the reliance and morbidity adjustments rely on survey data, they may not fully reflect the true differences in utilization for Enrollees. Also, inpatient length-of-stay analyses were used to establish the DoCM for both admissions and length of stay. The assumption was made, due to lack of data, that outpatient services were delivered at the community loosely managed level during FY 1999 and at 5% DoCM during FY 2002. To the extent that any of these estimated adjustments are not accurate, the Actual-to-Expected adjustment is used to enhance the model.

The Actual-to-Expected adjustments vary by Enrollee Type (Pre and Post), Age Group (Under Age 65 and Ages 65 and Over), Priority Level (1, 2, 3, 4, 5, 6, 7a/8a, 7c/8c), and HSC groupings. The adjustments are calculated for two age bands to be consistent with the age band detail included in the morbidity and reliance factor adjustments. The HSC groupings for inpatient care are Medical, Surgical, Psychiatric, Substance Abuse, Maternity Deliveries, Maternity Non-Deliveries and Skilled Nursing Facility. There are 22 groupings for ambulatory care including Emergency Room Visits, Office Visits, Radiology, Pathology, Surgery, and other groupings of ambulatory visits and ancillary services. For the first time in the VA Enrollee Health Care Projection Model, factors were developed for Glasses/Contacts, Hearing Aids, DME, Prosthetics and VA Program Equipment and Services using the NPPD and DDC data provided by VA. These services are shown in Exhibit VI-1 on the second page under Other services. Factors were also developed for Prescription Drugs and shown in this section of the exhibit.

For the Mental Health Non-Acute Bed Services and Mental Health Special Disability Programs (MHSDP) the Actual-to-Expected factors on a national aggregate level are all 1.00, with the exception of Non-Acute Blind Rehabilitation and Spinal Cord Injury (SCI) Bed services. This is due to the fact that the projection basis of the expected workload for these services was derived from the FY 2002 VA workload data itself. In general, these services are unique to VA, and are modeled using VA historical experience. They may also be modeled in the future to reflect higher levels of access based on VA policy decisions and planning directives. Therefore, Actual-to-Expected adjustments are not applied to these services. The Non-Acute Blind Rehabilitation and SCI Bed services are projected using models developed by VA. The FY 2002 projected workload for these services did not match the actual VA workload experience. However, under

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VA direction, Actual-to-Expected adjustments were not applied to these services for the projection years included in this ELDA.

The raw Actual-to-Expected adjustment factors by the HSC groupings described above for each Enrollee Type, Age Group and Priority Level are then adjusted for credibility, as necessary. For inpatient services, the Actual-to-Expected adjustments are considered fully credible if the VA workload experience used to develop the factor represents at least 1,000 admits. Likewise, Actual-to-Expected adjustments for ambulatory services are considered fully credible if the VA workload experience used to develop the factor represents at least 1,000 services. For partially credible adjustment factors, the percent credibility was calculated by taking the square root of the actual VA workload count divided by 1,000. The partially credible adjustment factor was then weighted with an adjustment of 1.00 using the percent credibility. For example, the raw Actual-to-Expected adjustment of 0.83 (for Inpatient Surgical Admits, Priority Level 6, Enrollees Pre, Under Age 65) was calculated based on 163 actual VA services and 197 expected services, the percent credibility is 0.40 (Square root of [163 ÷ 1000]). The raw Actual-to-Expected adjustment was then adjusted for credibility to 0.93 ($0.83 \times 0.40 + 1.00 \times (1 - 0.40)$). The resulting set of credibility adjusted Actual-to-Expected factors for each HSC grouping were then renormalized to reproduce the national Actual-to-Expected adjustment factors over all Enrollee Types, Age Groups and Priority Levels. For this example, the renormalization adjustment was 1.001.

Credibility adjustments were used for some Age/Priority/Enrollee Type cells for almost all services. Some cells with very low enrollment such as Priority Level 6 Enrollees Post, Ages 65 and Over were credible for only a few major services, such as Prescription Drugs, Office Visits and Pathology. For other cells with more enrollees and more workload, virtually all services were credible. Credibility adjustments primarily affected low-volume services, such as Inpatient Substance Abuse and Skilled Nursing Facilities.

Complete enrollment for FY 2002 was used in this analysis. The “Cost-Only” enrollees, with demographic information attributed when not available, were included in the enrollment. Enrollee age was calculated as of April 1, 2002, the midpoint of FY 2002.

The VA workload data used for this analysis was analyzed and measured as described in Section V-VA Workload Data Manipulations. This ensured that both components of the Actual-to-Expected analysis were categorized and counted using the same set of rules.

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Exhibit VI–1

Department of Veterans Affairs
Actual to Expected Benchmark Utilization Analysis, based on FY 2002 Workload
National
All Ages

	Beg of Year	End of Year	Unique	Average	
ENROLLMENT	5,968,593	6,688,010	6,850,377	6,369,400	

	Total Admits		**Admits Per 1,000**		**Actual to**
INPATIENT ACUTE HOSPITAL	Actual	Expected	Actual	Expected	**Expected**
Medical	357,893	311,017	56.2	48.8	1.151
Surgical	103,557	88,423	16.3	13.9	1.171
Psychiatric	67,479	75,868	10.6	11.9	0.889
Substance Abuse	44,274	49,579	7.0	7.8	0.893
Maternity Deliveries	394	2,619	0.1	0.4	0.150
Maternity Non-Deliveries	79	258	0.0	0.0	0.306
Subtotal	573,676	527,763	90.1	82.9	1.087

	Average Length of Stay		**Actual to**
INPATIENT ACUTE HOSPITAL	Actual	Expected	**Expected**
Medical	5.50	7.64	0.720
Surgical	9.29	10.12	0.918
Psychiatric	9.86	8.05	1.225
Substance Abuse	6.05	8.91	0.679
Maternity Deliveries	9.56	2.53	3.778
Maternity Non-Deliveries	8.06	2.62	3.074
Subtotal	6.74	8.21	0.822

	Total Days		**Days/Units Per 1,000**		**Actual to**
INPATIENT ACUTE HOSPITAL	Actual	Expected	Actual	Expected	**Expected**
Medical	1,968,389	2,377,007	309.0	373.2	0.828
Surgical	962,461	895,050	151.1	140.5	1.075
Psychiatric	665,101	610,388	104.4	95.8	1.090
Substance Abuse	268,051	441,798	42.1	69.4	0.607
Maternity Deliveries	3,767	6,628	0.6	1.0	0.568
Maternity Non-Deliveries	637	677	0.1	0.1	0.942
Skilled Nursing/Extended Care Facility	404,874	1,161,134	63.6	182.3	0.349
Subtotal	3,868,406	4,331,547	607.3	680.1	0.893

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Exhibit VI–1 (cont.)

Department of Veterans Affairs
Actual to Expected Benchmark Utilization Analysis, based on FY 2002 Workload
National
All Ages

AMBULATORY	Total Procedures		Procedures per 1,000		Actual to Expected
	Actual	Expected	Actual	Expected	
Allergy Immunotherapy (1)	59,329	1,075,482	9.3	168.9	0.055
Allergy Testing (1)	8,896	1,048,430	1.4	164.6	0.008
Anesthesia	129,651	365,649	20.4	57.4	0.355
Cardiovascular	2,360,474	3,549,267	370.6	557.2	0.665
Chiropractor	11,061	4,490,355	1.7	705.0	0.002
Consults (2)	1,039,822	1,466,537	163.3	230.2	0.709
Emergency Room Visits	1,245,150	549,260	195.5	86.2	2.267
Hearing/Speech Exams (2)	1,503,183	478,737	236.0	75.2	3.140
Immunizations	2,228,789	1,710,887	349.9	268.6	1.303
Maternity Deliveries	263	2,619	0.0	0.4	0.100
Maternity Non-Deliveries	1,171	1,633	0.2	0.3	0.717
Misc. Medical (1)	5,285,423	10,397,440	829.8	1,632.4	0.508
Office/Home/Urgent Care Visits	21,377,745	24,422,393	3,356.3	3,834.3	0.875
Outpatient Psychiatric	5,929,867	6,671,653	931.0	1,047.5	0.889
Pathology	42,180,903	29,526,189	6,622.4	4,635.6	1.429
Physical Exams	1,521,000	783,257	238.8	123.0	1.942
Physical Medicine	3,576,301	7,228,514	561.5	1,134.9	0.495
Radiology	5,293,612	5,980,724	831.1	939.0	0.885
Surgery (3)	2,678,443	3,316,810	420.5	520.7	0.808
Sterilizations (3)	1,215	3,350	0.2	0.5	0.363
Therapeutic Injections (1)	1,975,376	2,919,694	310.1	458.4	0.677
Vision Exams (2)	1,131,281	2,162,715	177.6	339.5	0.523
Subtotal	99,538,955	108,151,596	15,627.7	16,979.9	0.920

OTHER	Total Services		Services per 1,000		Actual to Expected
	Actual	Expected	Actual	Expected	
Prescription Drugs	189,556,570	190,024,744	29,760.5	29,834.0	0.998
Glasses/Contacts	594,250	738,790	93.3	116.0	0.804
Hearing Aids	363,202	63,138	57.0	9.9	5.752
Ambulance		98,432		15.5	
Durable Medical Equipment	1,617,233	788,199	253.9	123.7	2.052
Prosthetics	327,976	63,152	51.5	9.9	5.193
VA Program Equipment and Services	570,548	570,548	89.6	89.6	1.000
Compensation & Pension Exams	439,377	439,377	69.0	69.0	1.000
Subtotal	327,976	63,152	51.5	9.9	5.193

Note:
(1) Allergy Immunotherapy, Allergy Testing, Misc.Medical, and Therapeutic Injections were combined and use the Other Procedures A/E adjustments.
(2) Consults, Hearing/Speech Exams, and Vision Exams use the Other Visits A/E adjustments.
(3) Surgery and Sterilizations use the Surgery A/E adjustments.

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Exhibit VI–1 (cont.)

Department of Veterans Affairs
Actual to Expected Benchmark Utilization Analysis, based on FY 2002 Workload
National
All Ages

	Total Days		Days per 1,000		Actual to
NON-ACUTE BEDS	Actual	Expected	Actual	Expected	**Expected**
Blind Rehab	68,808	76,087	10.8	11.9	0.904
SCI	280,334	244,677	44.0	38.4	1.146
STAR	470,071	470,071	73.8	73.8	1.000
PRRTP	115,141	115,141	18.1	18.1	1.000
PTSD PRRP	134,269	134,269	21.1	21.1	1.000
SARRTP	482,725	482,725	75.8	75.8	1.000
CWT/TR	114,318	114,318	17.9	17.9	1.000
Respite	19,727	22,086	3.1	3.5	0.893
Domiciliary	1,571,278	1,571,278	246.7	246.7	1.000
Subtotal	3,256,671	3,230,652	511.3	507.2	1.008

	Total Services		Services per 1,000		Actual to
LONG TERM CARE	Actual	Expected	Actual	Expected	**Expected**
Nursing Home	6,113,146	-	959.8	-	
PDN/Home Health	824,924	-	129.5	-	

	Total Stops		Stops per 1,000		Actual to
MHSD Programs	Actual	Expected	Actual	Expected	**Expected**
Day Treatment	554,882	554,882	87.1	87.1	1.000
Homeless	300,785	300,785	47.2	47.2	1.000
Methadone Treatment	769,685	769,685	120.8	120.8	1.000
MHICM	220,134	220,134	34.6	34.6	1.000
Work Therapy	950,437	950,437	149.2	149.2	1.000
Community MH Residential Care	85,167	85,167	13.4	13.4	1.000

	Total Services		Services per 1,000		Actual to
AMBULATORY GROUPS	Actual	Expected	Actual	Expected	**Expected**
Other Procedures (1)	7,329,024	15,441,047	1,150.7	2,424.3	0.475
Other Visits (2)	3,674,286	4,107,989	576.9	645.0	0.894
Surgery (3)	2,679,658	3,320,160	420.7	521.3	0.807

Note:
(1) Allergy Immunotherapy, Allergy Testing, Misc.Medical, and Therapeutic Injections were combined and use the Other Procedures A/E adjustments.
(2) Consults, Hearing/Speech Exams, and Vision Exams use the Other Visits A/E adjustments.
(3) Surgery and Sterilizations use the Surgery A/E adjustments.

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Section VII
VA Unit Costs

For the FY04 ELDA projections, VA unit cost data was supplied for FY 2002 based on CDR data sources. VA included all necessary budget items related to the delivery of health care services in order to calculate unit costs. These unit costs are intended to account for all health care related expenditures. Budget items specifically excluded from the unit costs include Station 101, Readjustment Counseling, CHAMPVA (direct only), Spina Bifida, Foreign Medical Payments, Children of Women Vietnam Veterans, Dental Care, and Non-Veterans. The resulting MBP expenditure projections can be directly compared to VA's budget projections.

Unit cost data from VA was available at the 5-digit (ambulatory) and 6-digit (inpatient) station level. Unit costs were aggregated to treating MCCV (Medical Center Closest within the VISN) facility detail for this analysis. Discussions of Facility level unit costs (preferred facility and treating facility) in this section refer to MCCV facility detail unless otherwise indicated. Analysis of the FY 2002 VA data produced VA unit costs specific to each treating facility. For each Market ID Area (market), unit costs were developed to reflect the treating facilities used by enrollees residing in that market. The market level unit costs were then assigned to the Sectors contained in each particular market.[1] The FY 2002 VA unit costs were then trended forward to the projection periods using the most appropriate trend factors available and are detailed in Section IX- Trend Rate Assumptions.

In addition to the unit cost data, VA supplied clinic stop and CPT code experience for every ambulatory visit within VHA for FY 2002, and complete bed section detail for all acute inpatient stays within VHA for FY 2002. Both the CDR cost reports and the utilization experience included Fee-Based Care that VHA purchases for veteran enrollees from the private sector.

VA unit costs were developed for all enrollees in each market. The aggregate unit costs were then compared to the aggregate Medicare Allowed average charges, as projected by the model, for all enrollees in the market. Unit costs for every market were then expressed as a percent of the Medicare Allowed average charge in that area. The methodology used to develop each type of VA unit cost is documented as follows.

[1] The unit costs were not developed for each individual Sector for credibility reasons.

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Acute Inpatient Unit Costs

The inpatient health care service categories available in the CDR-based data report are similar to the health care service categories found in the utilization benchmarks. The Treatment Services and Locations that were included in calculating the VA costs per day for each acute care inpatient service category are listed below:

	Service	Location
Medical Cost per Day	Medical	Epilepsy
	Medical	Medical
	Medical	Medical GEM
	Medical	MICU
	Medical	Neurology
	Medical	Neurology GEM
	Medical	Rehabilitation
	Medical	Rehabilitation GEM
	Non-VA	Non-VA Medical
Surgical Cost per Day	Surgical	OR Procedures
	Surgical	SICU
	Surgical	Surgical
	Surgical	Transplants Team
	Non-VA	Non-VA Surgical
Psychiatric Cost per Day	Psychiatric	EBTPU
	Psychiatric	Psychiatric
	Psychiatric	Psychiatric GEM
	Psychiatric	Psychiatry-General Interm.
	Psychiatric	Psy Subst Inter
	Psychiatric	SIPU
	Non-VA	Non-VA Psychiatric
Substance Abuse Cost per Day	Psychiatric	Substance Abuse

The CDR costs for the above treatment locations included costs that are classified as LTC or Non-Acute by the Inpatient Stay Sorting Criteria described in Section V- VA Workload Data Manipulations. In order to develop appropriate estimates for acute care inpatient unit costs, it was necessary to remove these low-cost days from the utilization and cost components of the CDR report. VA inpatient workload was used to determine the number of days of care to remove from the CDR, by treating facility. Unit costs from the LTC and Non-Acute portions of the CDR report were used to determine the costs associated with the days removed. The general

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formula used for each facility and acute care inpatient service category is: Adjusted Inpatient Cost = CDR Inpatient Cost – (LTC Days classified as Acute × LTC Per Diem) – (Non-Acute Days classified as Acute × Non-Acute Per Diem). The adjusted costs were then summarized over all facilities to generate national per diems for each acute care inpatient service category (medical, surgical, psychiatric and substance abuse).

The adjusted costs for each treating facility were used to generate unit costs for each acute care inpatient service category. Upon reviewing for reasonableness, it was determined that these detailed unit costs were not reasonable for some facilities. According to VA staff, some facilities have difficulty allocating expenses among the various types of stays. For example, if a facility altered the number of beds available for certain types of stays, such as surgical or psychiatric, but did not reallocate the expenses associated with these bed types, then the calculated costs per day would be too high for some bed types and too low for others. It is likely that this could happen within VA's expense allocation system.

In order to compensate for this problem, expense allocations among acute care inpatient service categories were not relied upon at the treating facility level. The total adjusted costs (over all acute care inpatient service categories) were summarized for each treating facility and used later in the acute care inpatient unit costs calculation for each market.

VA also provided CDR costs for acute inpatient care by DRG and treating facility. The expense allocation problems noted above were also present in this CDR cost report. Therefore, DRG costs were only relied upon at the national level. DRGs were grouped into the four acute care inpatient service categories, and each was assigned a relative value unit (RVU) based on the relativity between the per diem for that DRG and the other DRGs in the same category. These RVUs were multiplied by the national per diems (calculated from the adjusted inpatient costs described earlier) by category to arrive at a national average per diem for each DRG.

Every acute inpatient stay from the workload was assigned a total cost based on the national DRG per diem and the length of the stay. These costs were aggregated by treating facility and compared to the adjusted total costs by treating facility previously derived. Each treating facility was assigned a relative cost factor based on its total expenditures compared to the adjusted expenditures calculated using the DRG mix at that treating facility and the national per diems.

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Next, each stay in the FY 2002 VA workload data was assigned a severity-adjusted cost according to the following formula: Severity-Adjusted Cost = Length of Stay × Treating Facility Relative Cost × National DRG Per Diem ÷ DRG RVU. The severity-adjusted cost removes the impact of case mix at each treating facility by assigning a national case mix. The severity-adjusted costs were summarized for each market (based on the enrollee county of residence) at the acute care inpatient service category level. Market unit costs were then developed for each acute care inpatient service category to complete the process.

Nursing Home and Skilled Nursing Facility Unit Costs

The Long Term Care (LTC) treatment services included in the unit cost data include Nursing Home (NH) and Skilled Nursing Facility (SNF) services. NH unit costs are identified in the data using the methodology described below, but NH services were not included in the Final FY04 ELDA projections. The Treatment Services and Locations that were included in calculating the VA costs per day for each service are listed below:

	Service	Location
Nursing Home	LTC	Nursing Home
	LTC	Nursing Home GEM
	LTC	Hospice
	LTC	Inter Med LTC
	CNH	Non-VA Nursing Home
Skilled Nursing Facility	LTC	Intermediate
	LTC	Intermediate GEM

The VA costs per day for NH were calculated for each market by mapping each facility into a market area. VA markets that did not have any NH unit cost data were assigned a per diem based on the closest VA market with NH experience. The NH unit cost data provided by VA included the costs of providing services within VA as well as purchasing the services from the community. It did not, however, include payments made to state nursing homes for the care of veterans. It is assumed, based on reports supplied by VA, that 50% of VA-sponsored NH care in FY 2002 was provided by state nursing homes at a set national per diem. The NH per diems used in the VA Enrollee Health Care Projection Model are an average blend of the non-state NH and the state NH per diems.

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There were not enough SNF services performed by VHA to create reasonable per diems at the market level. Many VISNs appear to have these services at only one or two facilities. Further, at the VISN level, some of the per diems were still significantly higher or lower than the national average, indicating possible budget allocation problems for these services within the CDR. The CDR-based per diems for SNF, when compared to the NH per diem, appeared reasonable only at the national level.

The cost of providing SNF services is considered to be related to NH services. Therefore, to create reasonable per diems for SNF services, the following analysis was performed:

1. Calculate the ratios of the NH per diems by market to the national NH per diem
2. Adjust the national SNF per diem by the ratios calculated in Step 1 to create a market-level set of per diems

The resulting per diems have the same relativities as the market level set of NH per diems.

Special VA Program Bed Section Unit Costs

The special VA program bed section services included in the model were developed from historical VA utilization and unit cost data. The service categories available in the CDR-based data report are similar to the special VA program bed section service categories projected in the model. The Treatment Services and Locations included in calculating the VA costs per day for these services are as follows:

	Service	Location
Blind Rehab	Medical	Blind Rehabilitation
Spinal Cord Injury	Medical	Spinal Cord Injury
Sustained Trt & Rehab (STAR I II III)	Psychiatric	STAR I II III
Psychiatric Res Rehab Trt (PRRTP)	Psychiatric	PRRT
PTSD Res Rehab (PRRP)	Psychiatric	PTSD PRRT
	Psychiatric	Domiciliary PTSD
Sub Abuse Res Rehab Trt	Psychiatric	SARRTP
	Psychiatric	Domiciliary Substance
Homeless Chronic Ment Ill CWT	Psychiatric	HCMI CWT/TR
	Psychiatric	SA CWT/TR

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	Psychiatric	CWT/TR
	Psychiatric	PTSD CWT
Residential Rehab Treatment	LTC	Domiciliary
	LTC	Domiciliary GEM
	LTC	Homeless Domiciliary

There were not enough special VA program bed section services performed to create reasonable per diems at the market or VISN level. Many VISNs appear to have these services at only one or two facilities, if at all. Further, at the VISN level, some of the per diems were still significantly higher or lower than the national average, indicating possible budget allocation problems for these services within the CDR. Therefore, the national level VA per diems for each service were used at all levels of projections. These national level per diems were calculated for each service by dividing the total national expenditures from the unit cost data by the total bed days for each service in the VA workload experience data.

The SCI program also includes home care services. Nationally, these services represented approximately $5 million in expenditures for FY 2002. These services are small in number, making it difficult to model them individually. As a result of discussions with VA, the SCI home care expenditures were loaded into the SCI bed section per diem. Consequently, the projected expenditures for the SCI bed section services also include the costs of providing related SCI home care services.

The CDR-based unit cost data did not have explicit detail for Respite Care bed section services. This care is considered to be similar to Nursing Home care; therefore, the national NH per diem for VA and community bed services was used as the Respite Care national per diem. A market level set of per diems was then calculated using the ratios of the NH per diems by market to the national NH per diem. The resulting Respite per diems have the same relativities as the market level set of NH per diems.

Ambulatory Unit Costs

The CDR Ambulatory data was not available in a format that allowed for a simple crosswalk to be constructed mapping into the Ambulatory health care services in the benchmark model. As mentioned previously, VA provided a report that includes facility CDR costs and units. From this report, total Ambulatory service costs were calculated for each treating facility. VA also provided clinic stop and CPT code experience data for every Ambulatory visit within VHA for

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FY 2002, including fee-based care. The CPT code detail in this data allowed visits, procedures, and services within VA to be counted in the same way that they are calculated in the private sector, as documented in Section V- VA Workload Data Manipulations.

To approximate VA unit costs on a cost per service basis similar to the services projected in the model, the total Ambulatory costs for each treating facility were matched to the total CPT service counts calculated from the FY 2002 experience data. This resulted in a per service unit cost based on similar units to those used in the Medicare per service unit costs calculated in the benchmarks. The CDR total Ambulatory costs for each facility were calculated using the Ambulatory Treatment Services and Locations listed below:

	Service	Location
Ambulatory Cost	OPC	Cancer Treatment
	OPC	Community Care Support
	OPC	DOM After Care - VA
	OPC	HMI
	OPC	OPC Admit/Screening
	OPC	OPC Ambulatory Surgery
	OPC	OPC Ancillary
	OPC	OPC Diagnostic
	OPC	OPC Dialysis
	OPC	OPC Fee
	OPC	OPC General Psychiatric
	OPC	OPC Medicine
	OPC	OPC Preventive Care
	OPC	OPC Prosthetics
	OPC	OPC PTSD
	OPC	OPC Rehab
	OPC	OPC Residential
	OPC	OPC Spc Psychiatric
	OPC	OPC Substance Abuse
	OPC	OPC Sub Abuse Disorders
	OPC	OPC Surgery
	OPC	Primary Care Medicine
	OPC	Primary Care Psychiatric
	OPC	Psychiatric Social Group
	OPC	Telephone Contact

Once the CDR total Ambulatory costs for each facility were calculated, the expenditures for certain specific outpatient services were removed. These services include VA's Outpatient Mental Health Programs and Compensation & Pension Exams. These expenditures were

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removed because the unit costs basis for these services could be directly derived from detailed data supplied by VA (see the "VA Outpatient Mental Health Program Unit Costs" and "Compensation & Pension Exam Unit Costs" subsections). For these services, VA supplied CDR outpatient costs by facility for the specific clinic stop locations that are a part of these services. These expenditures were then summarized by treating facility, and removed from the total Ambulatory costs.

Within VA's health care delivery system, some treating facilities perform more or less complex Ambulatory services than the national average. The Ambulatory VA unit costs reflected in the model should be appropriate for the veteran enrollee populations associated with each market area, rather than a particular treating facility. Therefore, the treating facility based unit costs were case-mix adjusted to the mix of CPT services associated with each market area. In order to perform this case-mix adjustment, each CPT service in the FY 2002 VA workload data was assigned a relative intensity using Medicare's Resource-Based Relative Value Scale (RBRVS) unit values. RBRVS unit values are established for each CPT code to calculate Medicare reimbursement. The Medicare reimbursement for a particular CPT code is calculated by multiplying its unit value by an appropriate conversion factor. Therefore, the unit values associated with each CPT code represent the relative intensity of each procedure or service. The total Ambulatory unit costs for each facility were translated into an "effort-cost" using RBRVS units as weights. This "effort-cost" calculated for each treating facility is comparable to the conversion factor used in Medicare reimbursement.

The total costs for each treating facility were then allocated to the patients using that facility, according to the "effort-cost" for the facility and the procedures performed for that patient. Total costs, units and "efforts" were then aggregated according to the market areas of the patients. The calculated "effort-cost" for each market was then translated into a unit cost by dividing by a national intensity adjustment. The national intensity adjustment reflected the ratio between the national "effort-cost" and the national cost per unit.

The total Ambulatory market unit costs were then used to calculate Ambulatory service line specific unit costs. The ratio of the total Ambulatory VA unit cost to the total Medicare Allowable Ambulatory unit cost was calculated for each market area. This ratio represents VA unit costs as a percentage of Medicare Allowable charge levels for each market area. This percentage was then applied to Medicare Allowable average charges by Ambulatory health care service to approximate VA unit costs for each Ambulatory health care service.

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VA Outpatient Mental Health Program Unit Costs

The VA Outpatient Mental Health Programs (OPMH Program) include the following service lines:

- Day Treatment
- Homeless
- Methadone Treatment
- Mental Health Intensive Case Management (MHICM)
- Work Therapy
- Community MH Residential Care

VA supplied Ambulatory CDR unit cost data for the specific clinic stop locations included in these services. The cost per service was calculated for each OPMH Program service by mapping each clinic stop location to the appropriate service line. There were not enough OPMH Program services performed to create reasonable per service unit costs at the market or VISN level. Many VISNs appear to have these services at only one or two facilities, if at all. Further, at the VISN level, some of the units costs were still significantly higher, or lower, than the national average– indicating possible budget allocation problems for these services within the CDR. Therefore, the national level VA per service unit costs for each OPMH Program service were used at all levels of projections. These national level costs per service were calculated by dividing the total national expenditures from the CDR unit cost data by the total clinic stop service count for each OPMH Program service in the VA workload experience data.

Prescription Drug Unit Costs

The FY 2002 CDR data included Prescription Drug unit cost data by facility. The facilities were mapped to market areas in order to calculate the total Prescription Drug expenditures for each market. Market level Prescription Drug unit costs were then calculated by dividing the total expenditures by the total 30-day equivalent scripts dispensed in each market area, as reported in the FY 2002 VA workload experience data.

The prescription drug unit costs calculated from the FY 2002 CDR data reflect the mix of drugs dispensed by VA as a result of the $2 and $7 pharmacy copays in effect during that period. After

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February 1, 2002 the $2 copay increased to $7. As observed in the FY 2002 workload experience the higher copay level reduces the number of over-the-counter drugs dispensed by VA. This reduction in low cost over-the-counter drugs dispensed results in a higher average unit cost for the remaining drugs dispensed. Consequently, the prescription drug unit costs projected for FY 2003 and beyond (derived from FY 2002 data) have been adjusted to account for the change in unit cost intensity mix by Priority Level. These adjustments were calculated using the FY 2002 VA pharmacy utilization data, the average wholesale price (AWP) by NDC, and the estimated proportion of drugs supplied for NSC conditions by Priority Level (provided by VA).

Prosthetics and Related Services Unit Costs

For Prosthetics and related services, VA supplied NPPD and DDC data that included FY 2002 utilization and cost per unit. The services represented in this data include the following service categories:

- Glasses/Contacts
- Hearing Aids
- Durable Medical Equipment
- Prosthetics
- VA Program Equipment and Services

Discussions of Prosthetic unit costs in this section refer to all of the services listed above. VA dispenses Prosthetic units throughout the entire health care system from a national dispensary. Consequently, on a cost per unit basis, regional cost differences do not typically exist. Therefore, national unit costs for each service line were calculated from the NPPD and DDC data. However, the mix of units supplied for Durable Medical Equipment, Prosthetics, and VA Program Equipment and Services varied significantly by Priority Level. As a result, unit costs were developed separately for each Priority Level for these projections.

Compensation & Pension Exam Unit Costs

VA was able to provide FY 2002 CDR unit cost data for the Compensation & Pension Exam (C&P Exams) clinic stop locations. However, during the modeling of this benefit, it was discovered that the true volume of C&P Exams performed by VA was best identified using the

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CPT procedures counts recorded the workload experience data. To calculate an appropriate cost per CPT count, the following steps were performed:

1. Calculate a national cost per C&P Exam clinic stop using the total expenditures from the CDR unit cost data dividing by the total C&P clinic stops in the workload experience data.
2. Convert the unit cost per clinic stop calculated in Step 1 to a unit cost per CPT procedure count using the ratio of the total C&P Exam CPT procedure counts to associated clinic stops within the workload experience data.

The resulting national C&P Exam unit cost was used as the FY 2002 starting unit cost within the VA Enrollee Health Care Projection Model projections.

Other Service Categories

It was assumed that Maternity and Ambulance services are contracted outside of VA. Unit costs for these services were taken from Milliman research of billed charges, adjusted for each market area.

VA Unit Cost Fiscal Year Fluctuations

Fundamentally, VA unit costs are derived by dividing total fiscal year expenditures by workload volume. Within the model, the base year utilization and expenditures are then trended forward to each fiscal year based on the medical trend assumptions and the enrollment projections.

For the FY03 ELDA analysis, the model contained unit costs derived from FY 2001 budget obligations and workload volumes. FY 2002 (and beyond) was then projected during the FY03 ELDA analysis using the medical trend assumptions and enrollment projections. However, during the FY04 ELDA update it was observed that the FY 2002 workload and expenditure projections produced during FY03 ELDA did not match the actual budget obligations and workload volumes for FY 2002. The FY03 ELDA predicted an expenditure increase of 15% from FY 2001 to FY2002. In actuality, the budget obligations grew 9% between these two years. Enrollment was projected to grow 16% during FY 2002 and this actually occurred. Workload volumes increased as well, but the budget obligations did not increase proportional to the workload and the assumed medical cost trends. This resulted in lower average unit costs for

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FY 2002 as compared to FY 2001. This meant that lower unit costs were implemented in the FY04 ELDA model. These unit costs were then trended to future years using the medical trend assumptions. Consequently, the resulting expenditure projections for each fiscal year produced by the FY04 ELDA are lower than the expenditure projections for each fiscal year produced by the FY03 ELDA.

The fiscal year expenditures are directly tied to the budget obligations while the workload volume reflects enrollee demand and regional VISN administration decisions impacting supply of care. These separate forces may influence the changes in the expenditures and workload volumes for each fiscal year. In addition, these forces could cause VA's actual workload and expenditure trends to vary from medical utilization and cost trend assumptions established for future fiscal years. It was surmised by VA staff that the unit costs developed from FY 2001 could be high due to supply constraints (workload was less than is should have been). Another issue that VA raised was the concern that VA does not model by marginal cost. To validate the FY04 ELDA unit cost assumptions built on FY 2002 experience, VA and Milliman executed several analyses.

The total workload and expenditures used by Milliman in the unit costs analyses were validated by VA. Milliman then conducted a longitudinal analysis of VA workload for FY 2000, 2001, and 2002. This analysis summarized enrollee and patient utilization rates, patients as a percent of enrollees, and total enrollees, patients and utilization. The patients and workload utilization were sorted into major categories of care, such Medical/Surgical Inpatient and Primary Care as well as Priority Level, Age Group, and Enrollee Type. The purpose of this analysis was to observe any evidence of supply constraints through decreasing patient rates or utilization rates that were inconsistent with general trends over the three-year period. This analysis revealed no evidence of supply constraints. Relative Value Units (RVUs) were also assigned to each outpatient visit, via CPT code, to determine if VA was experiencing significant changes in intensity per service over time. This analysis revealed no evidence of significant changes in intensity per service over time.

A variation of the analysis was also conducted to track utilization and patient rates of static enrollee populations over time. New enrollees first enrolling in FY 1999, 2000, 2001 and 2002 were tracked to analyze changes in their utilization and patient rates. The resulting rates did not display consistent trends or characteristics that would be reflective of supply constraints.

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While these special analyses did not identify specific explanations for the high unit costs in FY 2001 as compared to FY 2002, it did highlight the impact of the unit cost methodology on future year projections. To the extent that the components of VA's unit cost basis — workload and budget obligations — vary from projected workload and assumed medical trend rates, the update to a new base year for each ELDA will include a new unit cost basis that will vary from the unit cost projections from the year before. Another relevant point is that as additional workload volumes are projected, the cost per service is trended but remains fixed. The unit costs do not fluctuate to account for marginal capacity as workload volumes increase. The amount of excess capacity inherently present in the VA experience data used for the base year will impact the calculated unit costs.

As a result of these analyses, VA and Milliman agreed to monitor the impact of future unit cost updates implemented in the model. The longitudinal studies should be maintained, expanded and updated with subsequent data.

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Section VIII
Budget Reconciliation Methodology

The budget reconciliation adjustment is used to align the VA unit costs derived from FY 2002 data with the total FY 2002 budget obligations. FY 2002 VA unit costs were developed from the methodology described in Section VII- VA Unit Costs. The starting unit costs were applied to the FY 2002 model utilization projections for each service line. The resulting projected annual expenditures for all modeled services– $20,316,419,497– was compared to the FY 2002 total health care model budget obligations provided by VA– $19,887,567,000 (excluding $2,419,526,000 in Nursing Home and Home Health Care obligations). The total VA Enrollee Health Care Projection Model budget obligations, including Nursing Home and Home Health Care services, were reported at $22,307,093,000. The VA Enrollee Health Care Projection Model's utilization projections include workload Actual-to-Expected adjustments, therefore, the differences in these two amounts are predominantly due to the translation of VA expenses into the VA Enrollee Health Care Projection Model's unit costs.

The unit costs were adjusted such that the FY 2002 projected annual expenditures for all modeled services were equal to the FY 2002 total health care model obligations of $19,887,567,000. VA supplied actual FY 2002 budget obligation amounts for several categories of health care services. Using this detail, the total costs reported in the unit cost data, and specific cost allocation adjustments advised by VA, the modeled VA unit costs were adjusted using budget reconciliation adjustment factors calculated for the following categories of health care:

- Inpatient Acute Care
- Inpatient Non-Acute Care
- Outpatient Care
- Prescription Drug (Rx) Care
- Prosthetics Care

The budget obligation detail supplied by VA is attached as Exhibit VIII-1. The detailed obligation amounts were assigned to the health care categories listed above, as indicated in the final column of this exhibit. Under the direction of VA, the obligation amounts for CHAMPVA and Miscellaneous Benefits and Services were proportionally allocated to Inpatient Acute Care,

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Inpatient Non-Acute Care, and Outpatient and Prescription Drug Care. VA also advised the splitting of Prescription Drug Care obligations from the Outpatient Care obligations using the total Prescription Drug Care costs reported in the unit cost data provided by the Allocation Resource Center (ARC)– $3,276,945,940 rather than the $3,014,077,000 as reported in Exhibit VIII-1. The first column of Table VIII-1 contains the resulting preliminary amount allocated to each health care category, summing to the total model obligations of $19,887,567,000.

The preliminary budget obligation allocations were further adjusted for specific cost allocation adjustments, as advised by VA. First, the budget obligation amount reported for Prosthetics included units provided during an inpatient bed stay. The health care model only includes utilization projections for units provided in an outpatient setting. For modeling purposes, Prosthetics obligations apply to the DME, Prosthetics, Glasses/Contacts, and Hearing Aid service lines. The Prosthetics budget obligation amount– $632,921,000– was adjusted to outpatient only by removing $113,851,135 of surgical implants (identified using detailed VA Prosthetics data) and $115,000,000 of DME considered by VA to be related to inpatient. These obligation amounts were then added to the IP Acute Care budget obligations. Finally, VA recommended that $136,000,000 of IP Acute Care obligations be shifted to Outpatient Care obligations based on cost shifting observed in the DSS cost reporting system. The second column of Table VIII-1 contains the resulting final amount allocated to each health care category, summing to the total model obligations of $19,887,567,000.

The projected expenditures for services modeled using a VA unit cost basis in each health care category were adjusted to balance to the total health care obligations. The projected health care expenditures for services not modeled using a VA unit cost basis are $71,642,878. These services include Maternity and Ambulance. The unit cost reconciliation adjustment was calculated by dividing the total health care obligations for each health care category, less the expenditures for services not modeled using a VA unit cost basis, by the VA unit cost based expenditure projections. For example, for Inpatient Acute Care, the budget reconciliation adjustment calculation is (($7,323,571,609 – $16,404,598) ÷ ($7,012,482,103 – $16,404,598)) = 1.0445, where the IP Acute Care obligations are $7,323,571,609, the projected IP Maternity expenditures are $16,404,598 and the projected IP Acute Care expenditures are $7,012,482,103. Table VIII-1 contains the obligations allocated to each health care category (as discussed previously in this section) as well as the budget reconciliation adjustment factors.

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TABLE VIII-1

Budget Reconciliation Category	Preliminary Obligations	Final Modeled Obligations	Budget Rec. Adjustments
IP Acute Care	$7,230,720,474	$7,323,571,609	1.0445
IP Non-Acute Care	1,376,799,041	1,376,799,041	1.0068
Outpatient Care	7,370,180,545	7,506,180,545	0.9140
Prescription Drug Care	3,276,945,940	3,276,945,940	0.9867
Prosthetics Care	632,921,000	404,069,865	0.9900
Total Modeled Care	$19,887,567,000	$19,887,567,000	

Exhibit VIII-2 contains the Budget Reconciliation Mapping. This mapping lists the budget reconciliation category assignment for each model service line as well as the budget reconciliation adjustment that was applied to each service line.

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Exhibit VIII–1

2002 Actual, 2004 President's Submission
Medical Care

Activity	Total Obligations ($000)	Non-Model Obligations ($000)	Non-Modeled Item	Modeled Obligations ($000)	Budget Reconciliation Category
Acute Hospital Care	$5,593,571			$5,561,487	IP Acute Care
Acute VA Medicine	$3,003,136			$3,003,136	
VA Surgery	$2,259,189			$2,259,189	
Non-VA Acute Hospital					
Contract Hospital	$325,641	$ (32,084)	Mill. Act Emergency Care	$293,557	
St. Home Hospital	$5,605			$5,605	
Rehabilitative Care	$510,332			$510,332	IP Non-Acute Care
Psychiatric Care	$1,218,274			$1,218,274	IP Acute Care
Nursing Home Care	$2,158,273			$2,158,273	Nursing Home Care
VA Nursing	$1,573,411			$1,573,411	
Non-VA Nursing					
Comm. Nursing Home	$262,573			$262,573	
St. Home Nursing	$322,289			$322,289	
Subacute Care	$342,792			$342,792	IP Non-Acute Care
Residential Care	$437,808			$437,808	IP Non-Acute Care
VA Domiciliary	$291,103			$291,103	
Psych. Res. Rehab	$109,956			$109,956	
St. Home Domiciliary	$36,749			$36,749	
Outpatient	$11,227,789			$10,837,796	Outpatient/Rx Care*
VA Outpatient	$10,484,594	$ (181,169)	Non-Veterans	$10,116,446	
		$ (186,979)	Dental Care		
Fee Basis Outpatient	$487,308			$487,308	
Home Based Outpatient	$255,887	$ (21,845)	Community Res. Care	$234,042	
CHAMPVA	$214,232	$ (182,393)	CHAMPVA Direct only	$31,839	Allocated to IP & OP Care
Misc. Benefits & Services	$1,299,750	$ (80,123)	Readjustment Couns.	$ 1,208,492	Allocated to IP & OP Care
		$ (7,416)	Spina Bifida		
		$ (3,719)	Foreign Medical Program		
GRAND TOTALS	$23,002,821	$ (695,728)		$22,307,093	

(Included in Total Above but not separately Identified:)

Substance Abuse Treatment(IP/OP)	$	425,746
Blind Rehabilitation (IP/OP)	$	59,820
Spinal Cord Injury (IP/OP)	$	263,486
Pharmacy (cost of drugs)	$	3,014,077
Home & Comm-Based Care	$	261,253
Prosthetics (Repairs & Appliances	$	632,921

Home Health Care
Prosthetics Units

* Budget obligations for Home Health and Prosthetics were also removed fromt the Outpatient/Rx Care obligations.

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Exhibit VIII-2
Budget Reconciliation Mapping
Final FY04 ELDA

Benefit	Benefit Description	Budget Reconciliation Category	Budget Reconciliation Adjustment
1	IP Medical	IP Acute Care	1.0445
2	IP Surgical	IP Acute Care	1.0445
3	IP Psychiatric	IP Acute Care	1.0445
4	IP Subst Abuse	IP Acute Care	1.0445
5	IP: Maternity Delivery	No Adjustment	1.0000
6	IP: Maternity Non-Delivery	No Adjustment	1.0000
7	IP: SNF/ECF	IP Non-Acute Care	1.0068
8	LTC: Nursing Home	No Adjustment	1.0000
9	VA Special Program: Psychiatric Res Rehab Trt (PRRTP)	IP Non-Acute Care	1.0068
10	VA Special Program: Blind Rehab (VA Special Program: Model)	IP Non-Acute Care	1.0068
11	VA Special Program: Spinal Cord Injury (VA Special Program: Model)	IP Non-Acute Care	1.0068
12	VA Special Program: PTSD Res Rehab (PRRP) & PTSD Dom	IP Non-Acute Care	1.0068
13	VA Special Program: Sub Abuse Res Rehab Trt (SARRT) & SA Dom	IP Non-Acute Care	1.0068
14	VA Special Program: Homeless Chronic Ment Ill Comp Work Thrpy (HCMI CWT/TR)	IP Non-Acute Care	1.0068
15	VA Special Program: Respite Care	IP Non-Acute Care	1.0068
16	VA Special Program: Domiciliary	IP Non-Acute Care	1.0068
17	VA Special Program: Sustained Trt & Rehab (STAR I II III)	IP Non-Acute Care	1.0068
18	Ambulatory: Allergy Immunotherapy	Outpatient Care	0.9140
19	Ambulatory: Allergy Testing	Outpatient Care	0.9140
20	Ambulatory: Anesthesthia	Outpatient Care	0.9140
21	Ambulatory: Cardiovascular	Outpatient Care	0.9140
22	Ambulatory: Consults	Outpatient Care	0.9140
23	Ambulatory: ER Visits	Outpatient Care	0.9140
24	Other: Glasses/Contacts	Prosthetics Care	0.9900
25	Ambulatory: Hearing/Speech Exams	Outpatient Care	0.9140
26	Ambulatory: Immunizations	Outpatient Care	0.9140
27	Other: Hearing Aids	Prosthetics Care	0.9900
28	Ambulatory: Maternity Deliveries	No Adjustment	1.0000
29	Ambulatory: Maternity Non-Deliveries	No Adjustment	1.0000
30	Ambulatory: Misc. Medical	Outpatient Care	0.9140
31	Ambulatory: Office/Home Visits	Outpatient Care	0.9140
32	Ambulatory: Outpatient Psychiatric	Outpatient Care	0.9140
33	Ambulatory: Substance Abuse	Outpatient Care	0.9140
34	Ambulatory: Pathology	Outpatient Care	0.9140
35	Ambulatory: Physical Exams	Outpatient Care	0.9140
36	Ambulatory: Physical Medicine	Outpatient Care	0.9140
37	Ambulatory: Radiology	Outpatient Care	0.9140
38	Ambulatory: Surgery	Outpatient Care	0.9140
39	Ambulatory: Sterilizations	Outpatient Care	0.9140
40	Ambulatory: Therapeutic Injections	Outpatient Care	0.9140
41	Ambulatory: Urgent Care Visits	Outpatient Care	0.9140
42	Ambulatory: Vision Exams	Outpatient Care	0.9140
43	Prescription Drugs	Prescription Drug Care	0.9867
44	LTC: PDN/Home Health	No Adjustment	1.0000
45	Other: Ambulance	No Adjustment	1.0000
46	Other: Durable Medical Equipment	Prosthetics Care	0.9900
47	Other: Prosthetics	Prosthetics Care	0.9900
48	Millennium Bill LTC: SNF/ECF	IP Non-Acute Care	1.0068
49	Millennium Bill LTC: Nursing Home	No Adjustment	1.0000
50	Blank	No Adjustment	1.0000

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Exhibit VIII-2 (cont.)

Benefit	Benefit Description	Budget Reconciliation Category	Budget Reconciliation Adjustment
51	Millennium Bill ER: Inpatient	No Adjustment	1.0000
52	Millennium Bill ER: Emergency Room	No Adjustment	1.0000
53	Millennium Bill ER: Ambulance	No Adjustment	1.0000
54	Ambulatory: Chiropractic	Outpatient Care	0.9140
55	Other: VA Program Equipment and Services	Outpatient Care	0.9140
56	Other: Compensation & Pension Exams	Outpatient Care	0.9140
57	OP Mental Health Program: Day Treatment	Outpatient Care	0.9140
58	OP Mental Health Program: Homeless	Outpatient Care	0.9140
59	OP Mental Health Program: Methadone Treatment	Outpatient Care	0.9140
60	OP Mental Health Program: Mental Health Intensive Case Management (MHICM)	Outpatient Care	0.9140
61	OP Mental Health Program: Work Therapy	Outpatient Care	0.9140
62	OP Mental Health Program: Community MH Residential Care	Outpatient Care	0.9140

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Section IX
Trend Rate Assumptions

The projection model uses utilization and cost trends to project the modeled services forward from the base year of FY 2002. Currently, these trend assumptions extend through FY 2025. The estimated trend rates vary by health care service category, and are the result of historical trend rate analysis and discussions with VA's and CACI/Milliman's experts. The historical trend data was reported from 1985 through 2003, allowing for long-term trend pattern observations. This historical trend data is also used to project utilization and costs for Milliman's *Health Cost Guidelines*™ (HCGs). In addition, the Data Resources Inc. (DRI) published trend rates for 1997 through 2004 were also considered. The DRI trend rates for calendar year 2001 - 2004 are four-quarter moving average percent changes in the CMS prospective payment system (PPS) hospital input price index using DRI-WEFA forecast assumptions. They reflect the changes in the cost components for hospitals.

Medical trend assumptions will vary significantly depending on factors that are often unique to each situation. These factors tend to be dynamic, requiring continuous analysis and subjective evaluation. As a result, the historical trend data was analyzed by a workgroup of experts from both Milliman USA and VA. The success and contributions of this workgroup will increase as communication and understanding of the role of the trend factors within the model is enhanced. To this end, the following discussion identifies key factors in establishing trend assumptions.

There are many considerations that should be evaluated when establishing medical trend assumptions. Trends must be estimated based upon knowledge of historical trend patterns and identification of factors that may affect future trends. In many instances, these factors require a subjective evaluation of their potential impact. Out-year testing of the trend assumptions used in the model is discussed later in this section. Key trend considerations include the following:

Trend Behavior: Trends in claim costs change in direction and magnitude over time, frequently in a cyclical pattern. These trend patterns may be similar to those exhibited by the Medical Care Services component of the Consumer Price Index (CPI). While the trend experience in a particular situation may vary significantly from that of the overall health care environment, in most situations trend patterns generally tend to behave in a manner similar to aggregate medical

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care trends. As a national health care system, VA could experience trends similar to the overall health care environment.

Experience Analysis: It can be helpful to measure actual experience trends by relating claims to units of exposure, such as enrollment. However, the veteran enrollment population has experienced significant growth as well as Priority Level mix changes over the past several years. This situation, as well as historical health care access changes could make it difficult to utilize national VA experience for trend estimation.

Secular Trend: Within the HCGs secular trend is defined as the percentage change in average claim costs resulting from only those factors that affect a static population with a fixed set of benefits. This type of trend is what the trend factors implemented in the VA Enrollee Health Care Projection Model are meant to account for. It is worth noting that the actual measured trend for a population that is not static, such as the VA enrollee population, may also reflect changes in benefits or mix of business, age differences, or other factors that do not apply equally to other populations and are not considered to be components of secular trend. This is why the model incorporates specific adjustments for age/gender, benefit coverage, area adjustments, morbidity, reliance, and degree of health care management. When making considerations for secular trends, it is important to make sure that any factors that are incorporated are not already accounted for in these other adjustments.

The two major components of secular trend are (1) changes in the utilization of services, and (2) changes in the average cost per service. Secular trend assumptions may be established separately by type of service (as is done for VA modeling) or on an aggregate basis for an overall plan of benefits. When defining utilization trends, it is important to specify the units of service so that utilization can be measured on a consistent basis with the average cost per service. These steps are taken in the utilization trend sources considered for the HCGs and presented to VA. Some factors that may affect utilization patterns include:

- Evolutionary changes in medical care practice.
- Epidemics or catastrophes may cause sharp temporary increases in utilization.
- Utilization may tend to follow seasonal patterns.
- Trends in malpractice suits or changes in institutional policy may affect patterns of defensive medical practice.

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The major factor that affects average cost is inflation. For health care services, appropriate pieces of the CPI are very useful in assessing historical inflation trends. Other factors affecting health care average costs include:

- Medical practice patterns may lead to changes in the mix or intensity of services, such as an increased number of tests per average hospital stay or shifts toward more specialized physician care. In addition, changes in practice regarding assignment of procedure codes may produce a change in the mix of services.
- Charge levels of institutions frequently reflect trends in operating costs, including nursing wage levels or energy costs.
- The increased use of expensive modern technology, newly developed drugs, or organ transplants leads to a higher volume of high-cost services, perhaps without any corresponding reduction in other services.

The trend considerations and information available is helpful for analyzing historical trends and also in evaluating possible future trend patterns. While this information can prove useful in providing a proper framework for establishing trend assumptions, it must be emphasized that no purely objective approach to establishing trend assumptions is possible. Experience, judgment and evaluation of risks, combined with analytical techniques, should be part of the process of establishing trend assumptions.

The attached trend exhibit (Exhibit IX-1) contains the historical trend data, the trend assumptions used for FY03 and Preliminary FY04 ELDA, and, finally, the trend assumptions for Final FY04 ELDA are presented. All of the trend rates are annual trend rates. For example, a utilization trend rate of 3% for FY 2004 means that utilization is expected to increase 3% in FY 2003 over FY 2002 levels. The historical trend data was supplied to VA experts during discussions between VA and CACI/Milliman in order to provide a starting point for setting the current trend rate assumptions. The trend assumptions for fiscal years between the dictated years are linearly extrapolated between the fiscal years with defined trend rates. The majority of the trend assumption changes for the Final FY04 ELDA were made to FY 2005. These changes are a result of changes to the historical trend rate measures used to establish the future trend patterns. In general, there are very few changes to the trend assumptions since not much occurred in the health care industry over the past year to cause much deviation from the 20-year assumptions developed for last year's ELDA effort.

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In general, the cost and intensity trends are considered together, rather than as separate components. These composite trends are located at the bottom of the trend exhibit- Exhibit IX-1. It should be noted that the historical intensity trend factors reflect changes in provider discounts and may not be applicable when establishing trend rates for VA. The aggregated intensity trends reflect both changes in the complexity of care provided as well as changes in provider discounts. For example, regulatory changes in Medicare reimbursements (DRGs and RBRVS fee schedule) can significantly affect short-term trends and long-term tendencies in the cost and use of medical services in the both the over and under age 65 populations. This is often evidenced by large intensity trend changes, or changes that move a direction known to be opposite of complexity of care trends. To the extent that VA is not affected by provider discount changes, this should be considered when analyzing historical intensity trends for VA projections.

The proposed trend rates for the Final FY04 ELDA were run through the VA Enrollee Health Care Projection Model, holding the FY 2002 enrollment and DoCM constant to test the reasonableness of the proposed trend rates. The attached Exhibit IX-2 "Trend Reasonableness Checks" displays the results of this analysis. Since there were very few changes to the FY 2003 trend rate assumptions, the model produced reasonable per member per month (PMPM) relationships by major category of care.

After removing the impacts of Special VA Services and LTC, the PMPM relationships look reasonable from 2002 to 2022. LTC and the trends associated with Home Health services were removed from the analysis since the levels of these services and their unit costs are dictated by VA policy. It is expected that some inpatient care will be moved to an outpatient and/or home setting in the future and that some ambulatory services will be replaced with prescription-based therapies. This can be seen in the PMPM distributions by major category of care (excluding Special VA Services and LTC). The PMPM percentage of care that is expected to be attributed to inpatient acute care drops from 39% to 28% over the 20-year period ending with FY 2022. On the other hand, the percentage of care attributed to prescription drugs increases from 17% to 27% over the same period. Ambulatory and Other services represent about the same proportion of the health care dollar over the 20-year period. All in all, these proposed trend rates produced very reasonable results and thus were used in the final FY04 ELDA projection model. The remainder of this section provides a detailed discussion of each trend rate and the decisions resulting from the trend rate discussions with VA.

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IP Cost & Intensity Trend Rates (1 & 5)

The historical measure that is most appropriate to review for establishing IP cost trends for VA is the DRI. As indicated above, this measures the changes in underlying hospital costs. It is also appropriate to add an allowance for technology advances. Studies have shown that technology advances might add between 0.5% and 2.0% per year to hospital cost increases. A factor of 1.1% was added to the DRI forecasted trend rate for 2004 of 3.4% to produce an estimate of 4.5%. The assumed trend rates for the other projection years are not changed from those developed for the last ELDA.

Physician Cost & Intensity Trends (2 & 6)

The most recent historical trend rates were revised and do not indicate the slightly higher trend rate that was assumed for 2005 during last year's ELDA modeling. This year a 3.75% rate was assumed for the cost trend, which is very consistent with the last 9 years or so of CPI trends. This combined with an intensity trend rate of 0.5% (same as last year) gives an annual trend rate assumption of 4.27% for physician costs.

Prescription Drugs (3 & 7)

Historical drug cost trends were in the double digits for the late 80's and early 90's. Since then they have been mostly in the high single digit range. The last 5 years have produced near 10% annual trend rates, with a slight decline each year. These cost trends are before the effects of leverage for fixed copays. The higher the copay, the higher the leverage. These can easily add 2% to 5% or more to the paid cost per script. The 2002 historical trend rates were also increased over last year's estimate for 2002. Consequently, the 6.86% combined cost and intensity trend rate assumption for 2005 estimated last year was increased to 7.64% to fit more in line with recent trends. Specifically, the cost trend rate was increased from 3.75% to 4.00% and the intensity trend rate was increased from 3.00% to 3.50%.

OP Hospital & Other Cost & Intensity Trends (4 & 6)

Once again, the DRI is a useful forecasting measure since it measures hospital cost increases. The technology component, however, is greater for OP hospital than it is for IP. It is more

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appropriate to add 2% to 3% for technology trends on the outpatient side. Therefore, a cost trend rate of 6.25% for 2005 was assumed (3.4% DRI plus 2.85% for technology).

Physician (surgery) Utilization Trends

Surgical physician historical utilization trends were higher than measured last year. The historical annual trends have hovered around the 3.0% mark for several years. In light of these changes, the 2005 assumed trend rate was increased from 2.0% to 2.5%.

Physician (office visits and other services - non-surgical) Utilization Trends

Physician historical utilization trends were higher than measured last year. The historical annual trends have hovered around the 3.0% mark for several years. Over the last 19 years the average annual trend rate was around 1.0%. The actual annual trend rates varied from -3.0% to +4.5%. The last five years have seen annual trend rates from 2.0% to 4.5%. If the last five years of trend are ignored, then the average annual trend rate for the previous 14 years was around 0.0%. In light of these recent changes, the 2005 assumed trend rate was increased from 0.0% to 1.0%, the 2010 assumed trend rate was increased from 0.0% to 0.5% and the 2015 through 2025 assumed rates left at 0.0%.

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Exhibit IX-1

Annual Trend Rates for FY04 Preliminary and Final VA Model

			Historical Trends Used for HCG Update																			Used For FY03 ELDA & Preliminary FY04 ELDA					Proposed For Final FY04 ELDA						Comments
			1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2005	2010	2015	2020	2025	2004	2005	2010	2015	2020	2025	
Services Receiving Trend		Cost Trend Factor Source																															
		DRI Trend (informational)													2.40%	2.30%	2.90%	2.80%	4.40%	3.70%	3.90%												3.4% provided for 2004
LTC & Maternity Per Diems	1	Hosp IP Room CPI	7.40%	5.40%	6.60%	7.80%	11.20%	10.90%	10.60%	9.20%	8.60%	7.10%	5.50%	4.80%	3.50%	2.20%	3.20%	4.50%	6.10%	7.00%	7.50%	4.00%	3.50%	3.50%	3.50%	3.50%	4.50%	4.50%	3.50%	3.50%	3.50%	3.50%	DRI plus 1% for technology trends
Phys. Mat. Unit Costs	2	Physician Surg IP CPI	6.00%	6.70%	7.50%	7.20%	7.40%	7.10%	7.00%	5.90%	6.10%	5.00%	4.40%	4.20%	3.30%	2.90%	3.30%	3.20%	3.80%	3.00%	3.80%	4.25%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	2002 & 2003 trends revised since previous ELDA
see below	3	Drug CPI	9.70%	8.90%	8.30%	8.00%	8.00%	9.60%	10.00%	9.40%	5.10%	3.40%	2.70%	2.60%	3.20%	2.40%	5.20%	5.40%	4.40%	5.80%	3.90%	3.75%	2.50%	2.00%	2.00%	2.00%	4.00%	4.00%	2.50%	2.00%	2.00%	2.00%	2002 & 2003 trends revised since previous ELDA
see below	4	OP Services CPI	7.80%	5.80%	6.50%	7.50%	9.80%	11.70%	11.00%	10.20%	9.90%	7.00%	5.50%	5.00%	4.80%	3.90%	4.60%	6.30%	7.10%	7.70%	8.10%	5.25%	4.50%	4.00%	3.75%	3.75%	6.25%	6.25%	4.50%	4.00%	3.75%	3.75%	DRI plus 2 to 3% for technology trends
		Intensity Trend Factor Source																															
see below	5	IP Int/Day (Anc only)	-3.90%	4.10%	6.50%	6.00%	-0.40%	-1.80%	0.50%	0.70%	-1.20%	-3.90%	-8.80%	-11.10%	-9.60%	-7.70%	-2.80%	-3.90%	-2.50%	-1.90%	-4.40%	0.00%	0.50%	0.50%	0.50%	0.50%	0.00%	0.00%	0.50%	0.50%	0.50%	0.50%	Consider IP Cost and Intensity Trends Combined
see below	6	OP Int/Visit	5.00%	4.30%	1.80%	2.80%	2.70%	-0.80%	1.20%	0.20%	-3.20%	-3.40%	-3.90%	-1.90%	-2.30%	0.50%	0.90%	1.00%	2.60%	2.50%	0.50%	0.50%	0.25%	0.25%	0.25%	0.25%	0.50%	0.50%	0.25%	0.25%	0.25%	0.25%	Consider OP Cost and Intensity Trends Combined
see below	7	Drugs (Int)	3.00%	2.30%	3.90%	3.90%	4.50%	4.40%	2.50%	2.90%	1.30%	1.20%	1.10%	5.00%	4.30%	6.10%	2.00%	5.10%	5.30%	3.40%	5.10%	3.00%	2.50%	2.00%	2.00%	2.00%	3.75%	3.50%	2.50%	2.00%	2.00%	2.00%	2002 & 2003 trends revised since previous ELDA
		Utilization Trend Factor Source																															
IP Admits		Admissions (w/o Mat)	-6.10%	-3.60%	-2.40%	-1.90%	-3.00%	-2.00%	-3.90%	-2.80%	-3.20%	-0.80%	-0.10%	-1.50%	-1.40%	-0.90%	0.20%	0.00%	-0.30%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
IP Days		Days/1000 (w/o Maternity)	-9.30%	-3.90%	-1.90%	-1.90%	-4.10%	-2.90%	-5.30%	-5.20%	-4.30%	-3.20%	-3.50%	-2.50%	-3.20%	-1.70%	0.80%	0.90%	1.20%	1.70%	0.90%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	0.00%	-0.50%	-0.50%	-0.50%	-0.50%	-0.50%	
Maternity Days		Newborn Days	-1.40%	-3.30%	-1.80%	0.50%	0.20%	-3.40%	-5.90%	-3.90%	-7.20%	-9.40%	-8.40%	-3.70%	0.75%	0.95%	1.25%	1.30%	1.50%	1.60%	1.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Ambulatory Surgery & Anesthesia		Physician Est OP Surg	20.30%	23.60%	16.90%	11.50%	6.00%	5.40%	5.20%	4.90%	3.40%	5.20%	6.40%	3.50%	5.60%	4.80%	3.50%	2.30%	3.50%	3.00%	3.20%	2.00%	2.00%	1.50%	1.00%	1.00%	2.75%	2.50%	2.00%	1.50%	1.00%	1.00%	1999 - 2003 trends revised since previous ELDA
Office Visits and Misc Serv.		Physician IMS Office Visits	1.30%	3.30%	-1.70%	3.70%	0.40%	2.40%	-1.50%	-3.00%	2.40%	-2.30%	1.40%	-2.70%	0.90%	-2.60%	4.50%	2.90%	2.00%	2.50%	3.80%	0.00%	0.00%	0.00%	0.00%	0.00%	2.00%	1.00%	0.50%	0.00%	0.00%	0.00%	1999 - 2003 trends revised since previous ELDA
Ambulatory Rad/Path & Other		Physician All Other OP Visits	4.50%	8.40%	8.80%	6.20%	4.90%	4.70%	6.30%	7.60%	6.10%	6.20%	11.30%	5.60%	7.80%	5.20%	2.50%	1.10%	2.50%	2.50%	2.60%	2.00%	1.50%	1.00%	1.00%	1.00%	2.00%	2.00%	1.50%	1.00%	1.00%	1.00%	
Rx Util		Drugs IMS NPA (Util)	0.30%	-0.10%	1.10%	1.40%	0.10%	-0.50%	-0.30%	1.10%	1.30%	2.10%	2.80%	3.40%	3.80%	3.10%	8.20%	5.80%	4.20%	3.00%	4.00%	3.00%	2.50%	2.00%	2.00%	2.00%	3.50%	3.00%	2.50%	2.00%	2.00%	2.00%	
Ambulatory ER		ER Visits	-0.90%	4.50%	3.00%	3.50%	1.90%	1.50%	0.10%	1.60%	1.60%	-1.10%	1.30%	-0.80%	-1.00%	-0.50%	0.90%	2.40%	6.20%	4.80%	1.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
PDN/HH/Amb/DME		Total OP Visits	1.40%	6.60%	6.10%	5.70%	3.40%	3.90%	4.10%	5.60%	4.90%	4.80%	8.90%	4.50%	5.90%	4.70%	4.70%	3.80%	8.30%	6.80%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	
		Intensity and CostTrends																															
IP Per Diems		Trends 1 & 5	3.21%	9.72%	13.53%	14.27%	10.76%	8.90%	11.15%	9.96%	7.30%	2.92%	-3.78%	-6.83%	-6.44%	-5.67%	0.31%	0.42%	3.45%	4.97%	2.77%	4.00%	4.02%	4.02%	4.02%	4.02%	4.50%	4.50%	4.02%	4.02%	4.02%	4.02%	
Ambulatory Physician		Trends 2 & 6	11.30%	11.29%	9.43%	10.20%	10.30%	6.24%	8.28%	6.11%	2.70%	1.43%	0.33%	2.22%	0.92%	3.41%	4.23%	4.23%	6.50%	5.58%	4.32%	4.77%	4.01%	4.01%	4.01%	4.01%	4.27%	4.27%	4.01%	4.01%	4.01%	4.01%	
Rx Costs		Trends 3 & 7	12.99%	11.40%	12.52%	12.21%	12.86%	14.42%	12.75%	12.57%	6.47%	4.64%	3.83%	7.73%	7.64%	8.63%	7.30%	10.78%	9.93%	9.40%	9.20%	6.86%	5.06%	4.04%	4.04%	4.04%	7.90%	7.64%	5.06%	4.04%	4.04%	4.04%	
OP Fac/Gls/PDN/HH/Amb/DME Costs		Trends 4 & 6	13.19%	10.35%	8.42%	10.51%	12.76%	10.81%	12.33%	10.42%	6.38%	3.36%	1.39%	3.01%	2.39%	4.42%	5.54%	7.36%	9.88%	10.39%	8.64%	5.78%	4.76%	4.26%	4.01%	4.01%	6.78%	6.78%	4.76%	4.26%	4.01%	4.01%	

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Exhibit IX–2

VA Enrollee Health Care Projection Model
FY04 Final ELDA Trend Factor Reasonableness Analysis

	Utilization			PMPM			Implied Annual
	2002	2012	2022	2002	2012	2022	PMPM Trend
Inpatient	620.6	604.1	574.7	$94.60	$137.61	$194.07	3.7%
LTC	1,949.9	1,431.0	1,427.9	$35.39	$31.41	$35.46	0.0%
Non-Acute IP	434.1	434.1	434.1	$10.86	$16.60	$23.40	3.9%
Ambulatory	17,230.0	19,717.2	20,788.1	$101.61	$186.45	$294.84	5.5%
Rx	29,760.5	38,592.4	47,182.4	$42.23	$104.56	$191.07	7.8%
PDN/HH	1,000.8	1,509.7	1,509.7	$3.42	$6.00	$8.79	4.8%
Other	180.1	223.1	272.0	$3.75	$8.34	$15.28	7.3%
Total	51,176.0	62,511.7	72,188.7	$291.85	$490.97	$762.91	4.9%

	PMPM Distribution			Implied Annual
	2002	2012	2022	Util. Trend
Inpatient	32.4%	28.0%	25.4%	-0.4%
LTC	12.1%	6.4%	4.6%	-1.5%
Non-Acute IP	3.7%	3.4%	3.1%	0.0%
Ambulatory	34.8%	38.0%	38.6%	0.9%
Rx	14.5%	21.3%	25.0%	2.3%
PDN/HH	1.2%	1.2%	1.2%	2.1%
Other	1.3%	1.7%	2.0%	2.1%
Total	100.0%	100.0%	100.0%	1.7%

	PMPM Distribution		
	2002	2012	2022
Inpatient	38.5%	31.1%	27.6%
Ambulatory	41.4%	42.1%	41.9%
Rx	17.2%	23.6%	27.1%
PDN/HH	1.4%	1.4%	1.2%
Other	1.5%	1.9%	2.2%
Total	100.0%	100.0%	100.0%

* Dictated by VA modeling and staff.

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Section X
Cost Sharing Projections

As discussed in Section III- Private Sector Based Utilization Benchmarks, the copay schedules assessed by VA are unique for each Priority Level, and vary depending on whether the services provided are for a service-connected condition. Essentially, veterans in Priority Level 1 pay no copays, Priority Levels 2 through 6 pay copays for Prescription Drugs under certain circumstances, and Priority Level 7 veterans pay copays for multiple health care services. A summary schedule of the copays is provided in the following table. Many services changed copay levels during FY 2002, including:

- Outpatient copays on December 1, 2001,
- Prescription Drug copays on February 1, 2002, and
- Long Term Care copays on August 1, 2002.

Priority Level 7 Veteran Enrollee Copay Schedule

	Copay		
Type of Service	FY 2001 & Partial FY 2002	End FY 2002	FY 2003+
Inpatient Care - Per Admit	$792.00/$812.00	$812.00	$840.00
Inpatient Care - Per Days	$10.00	$10.00	$10.00
Long Term Care - Per Admit	$792.00/$812.00	$0.00	$0.00
Long Term Care - Per Day	$5.00	$97.00	$97.00
Res Rehab - Per Day	$0.00	$5.00	$5.00
Outpatient Basic	$50.80	$15.00	$15.00
Outpatient Specialty	$50.80	$50.00	$50.00
Prescription Drugs	$2.00	$7.00	$7.00

Priority Level 2 - 6 Veteran Enrollees Copay Schedule

Prescription Drugs	$2.00	$7.00	$7.00

Cost sharing projections are calculated using the copay levels for the appropriate services and Priority Levels and the corresponding projected utilization rates per 1,000. The copay amount is multiplied by the utilization rate per thousand and then divided by 1,000 to get the projected cost

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sharing amount per enrollee per year. This amount is then multiplied by the total projected average yearly enrollment to calculate the total projected cost sharing revenues. For example, if the annual Prescription Drug utilization rate for a cohort of 2,500 Priority Level 7 veterans is 6,100 per thousand in FY 2004, then the projected cost sharing revenue is $106,750 ($7 × 6,100 ÷ 1,000 × 2,500).

The utilization rates resulting from the model projections must be adjusted before calculating the projected cost sharing revenue due to the following factors:

1. A portion of the utilization for some services on the copay schedule are not actually subject to a copay. This includes Prescription Drugs provided for service-connected conditions to veterans in Priority Levels 2 – 4 & 6, and veterans in Priority Level 5 that fall below a certain income threshold.
2. Long Term Care copays are not assessed for care received in state nursing homes, which is included in the utilization projections.
3. Some outpatient clinic stop visits are not subject to either the basic or specialty care copay. The projected utilization rates were adjusted to exclude the portion of utilization that is not subject to copays for these services. These adjustment rates were determined by health care service through discussions with VA staff and previous cost sharing analyses performed for VA.

VA also bills third party providers for services provided to Priority Level 7 veterans with health care coverage outside of VA (excluding Medicare). Often, the full cost of the health care service is billed to the third party, and the veteran is not assessed the usual copay amount. Therefore, the projected utilization rates were further adjusted to exclude the portion of utilization that is billed to third parties. These adjustment rates were determined by health care service through discussions with VA staff and previous cost sharing analyses performed for VA. The third party revenue generated from these services is projected separately by VA and is not part of the VA Enrollee Health Care Projection Model.

Once the projected utilization rates used to calculate cost sharing revenues were adjusted for the factors discussed above, the revenues were adjusted for the expected VA collection rate. These collection rates were calculated by aggregate service areas using historical data provided by VA. Using the above methodology, cost sharing projections for FY 2002 were calculated and compared to actual cost sharing revenue data provided by VA. When necessary, the projected

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utilization rates were further adjusted to balance the projected FY 2002 cost sharing revenues to the actual FY 2002 cost sharing revenues. In some cases, the reported FY 2002 cost sharing revenue was not considered reasonable by VA. As a result, the FY 2001 cost sharing revenue data was used when necessary to adjust the projected FY 2002 cost sharing revenues. All of these adjustments were utilized each year throughout the project period. The utilization and expenditure projection databases contain five cost sharing revenue categories:

- Inpatient,
- Long Term Care,
- Residential Rehabilitation Treatment,
- Outpatient, and
- Prescription Drugs.

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Section XI
Enhanced Ability to Modify Copays and Covered Benefits

Historically, the VA Enrollee Health Care Projection Model has included adjustment factors that account for the current Medical Benefits Package, specific benefits determined by VA, historical and current copay rates, as well as a single set of planned copay rates appropriate for the ELDA analysis. The VA Enrollee Health Care Projection Model did not, however, have the functionality to easily modify the modeled copay rates or covered benefits. Such modifications performed in the past have required time consuming supplemental analysis when incorporating these additional scenarios into the VA Enrollee Health Care Projection Model.

During the budget development process, VHA often requests the ability to assess the impact upon workload and expenditures of changes to the current copay schedule by benefit or Priority Level. In other scenarios, VA has requested the impact of limiting the amount of services delivered to enrollees for a specific benefit. The VA Enrollee Health Care Projection Model has now been enhanced with the capabilities to modify the levels of the copays and covered benefits to accommodate these requests. This allows VA to evaluate the impacts of potential future policy changes in a quicker, more efficient manner.

Copay Modifications within the Model

It is widely accepted that copay levels not only have an impact on revenue but also have an impact on the levels of utilization experienced for both Ambulatory and Prescription Drug services. The copay utilization adjustment calculations within the model were modified to allow for quick implementation of the appropriate utilization adjustments for varying copay levels by category of service. The copay amounts are specified by Priority Level, can be any dollar and cent amounts, and can change several times over the projection period.[1]

VA assesses Ambulatory copays based on the clinic stop location where the service is provided. VA classified each clinic stop into one of five categories, each associated with a copay level. These category assignments are listed for each clinic stop in Exhibit XI-1. These categories are:

[1] Currently, the projection period must be contained within FY 2000 to FY 2025.

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- Excluded (EXC)
- No Copay (NON)
- Primary Care (P)
- Specialty Basic (SB)
- Specialty Complex (SC)

The model has been set up to accommodate this level of copay detail. The Ambulatory copay levels can be input specifically for each of these categories. For example, the Preliminary Model Run for the FY04 ELDA used the following copay levels for FY 2004:

FY 2004 Preliminary Model Run Ambulatory Copay Schedule

Scenario	Priority Level	Excluded	No Copay	Primary Care	Specialty Basic	Specialty Complex
1	1	$0	$0	$0	$0	$0
1	2	$0	$0	$0	$0	$0
1	3	$0	$0	$0	$0	$0
1	4	$0	$0	$0	$0	$0
1	5	$0	$0	$0	$0	$0
1	6	$0	$0	$0	$0	$0
1	7a	$0	$0	$15	$50	$50
1	7c	$0	$0	$20	$50	$50
1	8a	$0	$0	$20	$50	$50
1	8c	$0	$0	$20	$50	$50
2&3	1	$0	$0	$0	$0	$0
2&3	2	$0	$0	$0	$0	$0
2&3	3	$0	$0	$0	$0	$0
2&3	4	$0	$0	$0	$0	$0
2&3	5	$0	$0	$0	$0	$0
2&3	6	$0	$0	$0	$0	$0
2&3	7a	$0	$0	$15	$50	$50
2&3	7c	$0	$0	$15	$50	$50
2&3	8a	$0	$0	$15	$50	$50
2&3	8c	$0	$0	$15	$50	$50

The modeling enhancements also include the capability to override the Ambulatory copay schedule with specific copay levels for each of the Ambulatory services. When specific service line copay levels are used, the model will still allow for copay levels that can be input specifically for each of the five clinic stop based categories. For example, the Office Visit service line could have copay level assignments of $0/$0/$15/$50/$50 for the five clinic stop based categories, while Emergency Room could be assigned a $75 copay for every visit, regardless of clinic stop category.

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The Prescription Drug copay assumptions were expanded to allow for specific generic and brand name drug copay levels. While these copay levels did not vary for the Preliminary or Final FY04 ELDA, they may vary for future scenarios.

The copay utilization adjustments are based on research contained in the Milliman *Health Cost Guidelines*™. These copay utilization adjustments were modified further in the data analysis process to reflect the fact that some veterans in Priority Levels with copays do not intend to pay the copay when using VHA services. Others may not be required to pay the copay due to hardship waivers, service-connected conditions, or third party liability. It is expected that these veterans will have utilization that reflects a zero dollar copay benefit level. VA provided historical information regarding the amount of copays assessed to veterans and the amount actually collected. For the FY03 VA Enrollee Health Care Projection Model, this information was used in conjunction with VA workload data to develop collection rate assumptions. These assumptions were then incorporated into the model to make appropriate modifications to the copay utilization adjustments. These assumptions were also used in the FY04 VA Enrollee Health Care Projections Model.

Covered Benefit Modifications within the Model

Covered benefit adjustments were designed to modify the utilization and/or unit cost assumptions when differences exist between the level of coverage in the Medical Benefits Package and the underlying private sector benchmarks. These benchmarks are based on coverage limits typical in the private sector or Medicare. For many of these services VA does not impose the same limits; therefore, the starting utilization and cost assumptions must be adjusted to account for these differences.

The covered benefit adjustment calculations within the model were modified to allow for more efficient construction of the model's covered benefit adjustment factors when additional scenarios are proposed. This enhancement includes the ability to add covered benefit adjustments to any of the services included in the projection model, rather than only a subset of services that have required adjustments in the past due to VA's benefit package for enrollees. This will allow the model to make covered benefit adjustments for benefit packages outside of the typical benefits provided to veteran enrollees, such as Medicare+Choice style benefits. The

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covered benefit adjustments are specific for each Priority Level and Age Group (Under Age 65 and Ages 65 and Over), and are allowed to change several times over the projection period.[2]

[2] Currently, the projection period must be contained within FY 2000 to FY 2025.

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Exhibit XI-1

Department of Veterans Affairs
Copay Category Assignments by Clinic Stop

Clinic Stop	Copay Category	Cinic Stop Description
101	SB	Emergency Unit
102	P	Admit/Screening
103	NON	Telephone Triage
104	SC	Pulmonary Funct
105	NON	X-Ray
106	SC	EEG
107	NON	EKG
108	NON	Laboratory
109	SC	Nuclear Medicine
115	SB	Ultrasound
116	NON	Respiratory Therapy
117	NON	Nursing
118	EXC	Home Trtmt Svcs
119	P	CNH Follow-Up
120	NON	Health Screening
121	NON	Resid Care-Non MH
122	NON	Pub Health Nurs
123	NON	Nutr/Diet - Ind
124	NON	Nutr/Diet - Grp
125	NON	Social Work Svc
126	SC	Evoked Potential
127	SC	Topo Brain Map
128	SC	Prol Video - EEG
144	SC	Radionuc Therapy
145	SC	Pharmac Physiol
146	SC	PET
147	NON	Phone/Ancillary
148	NON	Phone/Diagnostic
149	SC	Rad Therapy Trmt
150	SC	Comput Tomogra (CT)
151	SC	Mag Res Imag (MRI)
152	SC	Angiogr Catheteriz
153	SC	Interven Rariograph
160	NON	Clinical Pharm
165	NON	Bereave. Counsel
166	NON	Chaplain-Ind
167	NON	Chaplain-Group
168	NON	Chaplain Collateral
169	NON	Telephone/Chaplain
170	P	Hbpc Physician
171	P	Hbpc-Rn/Rnp/Pa
172	P	Hbpc-Nurse Extend
173	P	Hbpc-Social Work
174	P	Hbpc-Therapist
175	P	Hbpc Dietician
176	P	Hbpc-Clin Pharmacy
177	P	Hbpc-Other

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Exhibit XI-1 (cont.)

Clinic Stop	Copay Category	Cinic Stop Description
178	NON	Telephone/Hbhc
179	NON	Tele Home Care
180	P	Dental
181	NON	Telephone/Dental
190	P	Adult Day Health
201	NON	Pm & Rs
202	NON	Rec Therapy Services
203	SB	Audiology
204	SC	Speech Pathology
205	NON	Physical Therapy
206	NON	Occupation Thpy
207	NON	Pm & Rs Incentive
208	NON	Pm & Rs Comp Work
209	NON	Vist Coord.
210	SC	Sci
211	SC	Post-Amputation
212	SC	EMG
213	NON	Pm & Rs Voc Assist
214	NON	Kinesiotherapy
215	NON	Sci Home Program
216	NON	Phone Rehab Supp
217	SC	Bros-Blind Rehab Spec
290	P	Observation Medicine
291	NON	Observation Surgery
292	P	Observ Psychiatry
293	NON	Observation Neurology
301	P	General Int Med
302	SB	Allergy Immunol
303	SC	Cardiology
304	SB	Dermatology
305	SC	Endocr/Metab
306	SB	Diabetes
307	SC	Gastroenterology
308	SC	Hematology
309	P	Hypertension
310	SC	Infectious Dis
311	SB	Pacemaker
312	SC	Pulmonary/Chest
313	SC	Renal/Nephrol
314	SC	Rheum/Arthritis
315	SC	Neurology
316	SC	Oncology/Tumor
317	NON	Coumadin Clinic
318	SB	Geriatric Clinic
319	P	Geriat Eval/Mgt (Gem)
320	SC	Alzh/Demen/Clin
321	SC	Gi Endoscopy

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Exhibit XI-1 (cont.)

Clinic Stop	Copay Category	Cinic Stop Description
322	P	Womens Clinic
323	P	Prim Care/Med
324	NON	Phone Medicine
325	NON	Phone Neurology
326	NON	Phone Geriatrics
327	SC	Invasive O.R. Proc
328	NON	Med/Surg Day Msdu
329	SC	Medical Proc Unit
330	SC	Chemo Unit-Med
331	P	Pre-Bed M.D.- Med
332	P	Pre-Bed R.N.- Med
333	SC	Cardiac Cath
334	SB	Cardiac Stress Test
350	P	Geriatric Prim Care
401	SB	General Surgery
402	SC	Cardiac Surgery
403	SB	ENT
404	SB	Gynecology
405	SB	Hand Surgery
406	SC	Neurosurgery
407	SB	Ophthalmology
408	P	Optometry
409	SB	Orthopedics
410	SB	Plastic Surgery
411	P	Podiatry
412	SC	Proctology
413	SC	Thoracic Surgery
414	SB	Urology
415	SB	Vascular Surgery
416	NON	Amb Surg Eval(Non-Md)
417	NON	Prosth/Orthotics
418	SC	Amputation Clin
419	SC	Anes Pre/Post-Op Cons
420	SC	Pain Clinic
421	SC	Vascular Lab
422	NON	Cast Clinic
423	NON	Prosthetics Svcs
424	NON	Phone Surgery
425	NON	Tele/Prosth/Orth
426	SC	Women Surgery
428	NON	Telephone Optometry
429	SC	Outpat Care In O.R.
430	NON	Cysto Room Unit
431	NON	Chemo Unit-Surg
432	NON	Pre-Bed Md-Surg
433	NON	Pre-Bed Rn-Surg
435	SC	Surgical Proc Unit

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Exhibit XI-1 (cont.)

Clinic Stop	Copay Category	Cinic Stop Description
450	NON	C & P Exams
451	NON	451-Local Credit Pair
452	NON	452-Local Credit Pair
453	NON	453-Local Credit Pair
454	NON	Special Registry 5
455	NON	455-Local Credit Pair
456	NON	Special Registry 6
459	NON	Special Registry 8
460	NON	460-Local Credit Pair
461	NON	Special Registry 1
462	NON	462-Local Credit Pair
463	NON	463-Local Credit Pair
467	NON	467-Local Credit Pair
470	EXC	Special Registry 3
473	NON	473-Local Credit Pair
474	NON	Research
475	NON	475-Local Credit Pair
481	SC	481-Local Credit Pair
485	EXC	485-Local Credit Pair
502	P	Mental Health-Ind
503	P	Men Hlth Resid Care
505	NON	Day Trmt-Ind
506	NON	Day Hospital-Ind
509	SB	Psychiatry-Ind
510	SB	Psychology-Ind
512	SC	Psychiatry Cons
513	P	Subst Abuse-Ind
514	P	Subst Abuse-Home
516	P	Ptsd Group
519	NON	Subst/Ptsd Teams
520	P	Lt Enhance Indiv
521	P	Lt Enhance Group
522	SB	Hud-Vash
523	NON	Opioid Substitution
524	NON	Act Duty Sex Trauma
525	NON	Wom Stress Treat
527	NON	Phone General Psych
528	NON	Phone/Hmless Ment Ill
529	NON	HCHV/HMI
530	NON	Telephone/Hud-Vash
531	P	MH Prim Care Team-Ind
532	P	Psyc/Soc Rehab-Ind
535	NON	MH Vocat Assist
536	NON	Tele/MH Voc Assist
537	NON	Tele Psyc/Soc Rehab
538	SC	Psychological Testing
540	NON	Ptsd Cl Team-Pct

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Exhibit XI-1 (cont.)

Clinic Stop	Copay Category	Cinic Stop Description
542	NON	Telephone Ptsd
545	NON	Tele Substance Abuse
546	NON	Telephone/Mhicm
547	SB	Inten Subs Abuse Trt
550	P	Mental Hyg-Grp
552	SB	Ment Hlt Int (MHICM)
553	P	Day Trmt-Grp
554	P	Day Hospital-Grp
557	P	Psychiatry-Md Group
558	P	Psychology-Group
559	P	Psy/Soc Rehab-Grp
560	NON	Subst Abuse-Grp
561	NON	Pct Ptsd-Grp
562	SB	Ptsd-Individual
563	NON	MH Prim Care Team-Grp
564	NON	MH Team Case Mgt
573	NON	MH Incen Ther-Grp
574	NON	MH Comp Wk Ther-Grp
575	NON	MH Vocat Assist-Grp
576	SC	Psychogeria Clin/Indv
577	NON	Psychogeria Clin/Grp
578	SC	Psychogeria Day Pgm
579	NON	Tel/Psychogeriatrics
580	NON	Ptsd Day Hosp
581	NON	Ptsd Day Treat
589	NON	N.A. Duty Sex Trauma
590	NON	Comm Outr Hmls-Staff
602	SC	Chron Ast H-Dial
603	NON	Lim Self H-Dial
604	NON	Home H-Dial Trng
606	SC	Chron Ast P-Dial
607	SC	Lim Self P-Dial
608	NON	Home P-Dial Trng
610	SC	Contract Dialysis
611	NON	Telephone Dialysis
650	NON	Contract NH Days
680	NON	Home/Comm Assess
681	NON	VA-Pd Home/Comm Hc
682	NON	VA-Ref Home/Comm Care
690	EXC	Telemedicine
702	NON	Cholester Screen
702	EXC	Cholester Screen
703	NON	Mammogram
705	EXC	Fobt-Guaiac Scrn
706	NON	Alcohol Screen
707	NON	Smoking Cessation
708	NON	Nutrition

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Exhibit XI-1 (cont.)

Clinic Stop	Copay Category	Cinic Stop Description
709	NON	Phys Fit/Exer CS
710	NON	Influenza Immuniz
711	NON	Inj CS/Seat Belt
712	EXC	Hep C Registry Pat
725	NON	Dom Outreach Service
726	NON	Dom Aftercare Commun
727	NON	Dom Aftercare-VA
728	P	Dom Admit/Screen Svc
729	NON	Telephone/Domiciliary
730	NON	Dom General Care
731	NON	Prrtp General Care
999	NON	Employee Health

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Section XII
Preferred Facility and State Projection Allocations

The purpose of this task is to restate the projections from the VA Enrollee Health Care Projection Model from an enrollees' place of residence basis to an enrollees' Preferred Facility basis. In order to support the strategic planning process, the primary projections are fundamentally geographic in nature. In order to support other VA needs, the primary projections were converted to a preferred facility basis.

Separate projections are not developed for a preferred facility for two reasons:

1. The veteran population (and therefore enrollment rates) is not readily attributable to preferred facilities. Thus, enrollment projections by preferred facility are dependent upon enrollment projections by place of residence.
2. If distinct assumptions were developed for area factors, reliance and morbidity factors, and average charge levels, by preferred facility, then the resulting projections would not balance to the primary residence-based projections.

Since independent projections cannot be run, the best available option for preferred facility projections is to allocate enrollment, utilization and expenditures from the primary projections to a preferred facility basis. A single critical assumption was used to facilitate and simplify this allocation:

The expected health care utilization and cost for any particular group of enrolled veterans in a particular area is the same, regardless of their choice of preferred facility.

In order to complete the allocation, it was necessary to determine the distribution of enrollees among preferred facilities, for each Sector, Age Group and Priority Group.

Distribution of Enrollment among Preferred Facilities

The following fields from the Master Enrollment File were used to determine the expected distribution:

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- Date of Birth (to calculate Age)
- Enrollee Type
- Priority Level
- County of Residence (to identify Sector)
- Preferred Facility
- Enrollment and Death Dates (to calculate Exposure during FY 2002)

Preferred Facilities from the MEF were mapped to MCCV (defined as the Medical Center Closest to the facility within the VISN), according to the mapping provided by VA's PSSG in May 2003.

For each Sector, four expected distributions were identified, to reflect the possibility that facility preference is different for disabled veterans than for non-disabled veterans and for older veterans than for younger veterans. The expected distributions were grouped as follows:

1. Under Age 65, Priority Levels 1 to 4
2. Under Age 65, Priority Levels 5 to 8
3. Ages 65 and Over, Priority Levels 1 to 4
4. Ages 65 and Over, Priority Levels 5 to 8

The expected distributions were created based on the relative exposure of the top 20 preferred MCCVs in each cell (Sector, Age Group and Priority Group) in the MEF.

The projected health care utilization and cost for each group of enrolled veterans in each sector was allocated uniformly to preferred facilities, according to the expected distribution of enrollment among those preferred facilities.

State Summaries: Enrollment, Utilization and Expenditures

Because some Sectors cross state lines, it is difficult to summarize the enrollment, utilization and expenditure projections by State. The purpose of this task is to allocate the projections for sectors that cross state lines to the states represented in the sector. In this way, the projections can be approximately summarized by state. A single distribution was used for all ages and Priority Levels within a sector. This distribution was based on the relative proportion of veterans

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in the County VetPop (VetPop 2001 Adjusted, filename VP01Adj_County_v2.sas7bdat, provided by the VA Office of the Actuary) for each year.

The market share and expected health care utilization and cost for any particular group of enrolled veterans in a particular sector are assumed to be the same, regardless of their state of residence.

The projected enrollment, health care utilization and cost for each group of enrolled veterans in each sector were allocated uniformly to states, according to the veteran population distribution of enrollment within the sector among those states. In 2002 the projected enrollment by state does not exactly match the actual enrollment by state, because the allocations are balanced to veteran population, not to enrollment.

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Section XIII
Patient Projection Analysis

During prior years' ELDAs, patient projections were not included as a component of the VA Enrollee Health Care Projection Model. Unique patients for each Fiscal Year were projected separately, after the completion of the modeling process. It was difficult and time-consuming to generate patient projections for alternate scenarios, and the projections were not readily adaptable to certain scenario modeling.

The task for the FY04 VA Enrollee Health Care Projection Model was to:

- Review the prior methodology.
- Update the methodology based on more recent and comprehensive patient data.
- Incorporate the methodology into the VA Enrollee Health Care Projection Model so that patients are readily available as an output from the model.

Conditions for success of this task were:

- Improved quality of patient projections
- Increased efficiency in generating patient projections

A patient is defined as an enrolled veteran who receives any health care service from VHA during a particular fiscal year, including fee-based care. Nursing home care is excluded, as a complete list of veteran nursing home patients from state nursing homes is not available. In addition, health care services not considered in the VA Enrollee Health Care Projection Model, such as Dental and Chaplain services, were not included in the patient analysis.

It is important to recognize that a count of unique patients is not a particularly meaningful measurement of expenses or of services provided. First, all patients are counted the same, regardless of intensity of services. Thus, a patient using VHA only to have a single prescription filled is counted the same, under this measure, as a patient receiving extensive medical treatment in an inpatient setting. Second, all enrolled veterans are actual beneficiaries of VHA, even if they do not receive any health care services during a particular year. The existence of a VHA safety net in addition to the enrollees' other insurance is a benefit to every enrolled veteran, regardless of reliance. Although every effort has been made to provide reasonable and accurate

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projections of patient counts, these projections are not intended to form the basis for decision-making or reporting. Measures of exposure (Average Enrollment) and liability (Utilization and Expenditures) are more accurate for decision-making and reporting.

Improvements to Model Efficiency

The methodology used to project patients for previous ELDAs required several model runs after a final ELDA baseline model had been selected. These scenarios were used to estimate parameters that were in turn applied to projections of unique enrollment in order to arrive at estimated patients.

In order to improve the efficiency of the patient model, certain changes had to be made:

1. Unique enrollment had to be added as an input to the VA Enrollee Health Care Projection Model.
2. Parameters of the patient model had to be expressed as a function of values available within the VA Enrollee Health Care Projection Model.

The first change was made in conjunction with other changes to make reporting on the utilization and expenditure projections more user-friendly. In these changes, several enrollment statistics, such as fiscal year unique enrollment, beginning enrollment, and year-end enrollment, were passed through the VA Enrollee Health Care Projection Model and made available in the Utilization and Cost Projection databases so that they could easily be provided in the Report Writer.

The remainder of this section is devoted to the second change: Creating a Patient Projection Model.

Model Parameter Selection

Parameters for the patient projection model were selected prior to analysis of recent patient data. Parameters were selected based on perceived likelihood of correlation with patient frequency. As the selected parameters produced a very good model during the estimation and testing phase, no effort was made to search for other possible parameters.

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The parameters selected were:

- Age (in 5-year age bands)
- Priority Level
- Enrollee Type
- Reliance
- Morbidity

There is not just a single estimate of Reliance or Morbidity for any enrollee or group of enrollees. (Rather, the morbidity and reliance factors vary by type of service provided.) Since approximately 90% of all VHA patients received "Office Visit" services during FY 2002, it was surmised that the Reliance and Morbidity factors used in the Office Visit projections were the factors most representative of patient frequencies.

After controlling for the other parameters, it was determined that regional variations in Morbidity were not significantly correlated with regional variations in patient frequency for veteran enrollees under the age of 65. Otherwise, all of the parameters listed above, were considered significant, and sufficient to create a robust model.

Model Parameter Estimation

For fiscal years 2001 and 2002, a database of unique enrollees and unique patients was summarized by Priority Level, Enrollee Type, 5-year Age Band and Submarket. Appropriate Office Visit Reliance factors and Outpatient non-Mental Health Morbidity factors were attached. The FY 2002 enrollee and patient data was used to select and fit the model. The FY 2001 data was used to test the model.

A logistic regression model was chosen to estimate patient frequency.[1] The particular advantage of logistic regression over simple linear regression is that logistic regression only predicts values between 0 and 1 and thus is commonly used for models of binary events.

P = Unique Patients / Unique Enrollment

Logit(P) = LN[P/(1-P)]

[1] Details about the logistic regression can be found in many references including: The SAS System documentation for PROC LOGISTIC; *Analysis of Variance, Design and Regression* by Ronald Christensen; and *The Statistical Sleuth* by Ramsey and Schafer.

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The selected regression fit the following equations:

$$\text{Logit}(P) = A + B * \text{Morbidity} + C * \text{Reliance}$$

Where *A* varies by Age Band, Priority Level and Enrollee Type, and *B* and *C* vary by Age Band. *B* and *C* only vary by Age Band in the selected regression, because Morbidity and Reliance factors already vary by Priority Level and Enrollee Type. (They also vary between major age groups, but Age Bands are more detailed). Effectively, *A* captures the overall tendency to be a patient for each Age Band, Priority Level and Enrollee Type. *B* and *C* primarily capture the impact of regional variations in Morbidity and Reliance. Because of the small number of enrolled veterans in Priority Levels 6 and 7a, Priority Level 7a was grouped with Priority Level 3 and Priority Level 6 was combined with Priority Level 7c. These combinations were determined based on similarities in patient frequencies.

Model Verification and Testing

Predicted Patient frequencies are then calculated using the inverse of the Logistic function.

$$\text{Logit}(P) = A + B * \text{Morbidity} + C * \text{Reliance}$$
$$P = \text{Exp}[\text{Logit}(P)] / \{1 + \text{Exp}[\text{Logit}(P)]\}$$

Predicted Patient frequencies calculated using FY 2002 Actual Patient frequencies were computed for FY 2002 and FY 2001. The results are evaluated for error variance, and predictive validity. In FY 2002 and FY 2001, the selected model explains, respectively, 83.3% and 83.1% of the variation in patient frequency. Also, in FY 2001, the selected model predicted a total number of patients that was 98.6% of the actual total.[2]

[2] References:

1. Analysis of Variance, Design and Regression: Applied Statistical Methods. Ronald Christensen. 249-252.
2. The Statistical Sleuth: A Course in Methods of Data Analysis. Ramsey and Schafer. 564-631.

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Section XIV
Databases and Report Writers

Utilization and Cost Databases

Four sets of databases are provided, containing detailed projected utilization and costs:

1. The first set contains databases for each scenario and fiscal year that are defined by Sector, Submarket, Market and VISN. Each database contains all of these geographic indicators (sample FY04/Scenario 1 file name: cost_elda04final_2004_sc1.7bdat).
2. The second set contains databases for each scenario and fiscal year that are defined by Submarket, Market and VISN. Each database contains all of these geographic indicators (sample FY04/Scenario 1 file name: cost_elda04final_2004_sc1_mkt.7bdat).
3. The third set contains databases for each scenario and fiscal year that are defined by State, (sample FY04/Scenario 1 file name: cost_elda04final_2004_sc1_st).
4. The fourth set contains databases for each scenario and fiscal year that are defined by Preferred Facility (sample FY04/Scenario 1 file name: cost_elda04final_2004_sc1_fac).

In each set, there are 10 databases: One database for fiscal year 2002 and databases for fiscal years 2003 to 2005 for each of the following three scenarios:

0. Full Enrollment
1. Priority Level 8 Enrollment suspended on January 17, 2003.
2. Priority Level 8 Enrollment suspended on January 17, 2003 and reopened January 1, 2004.

The databases contain the following detail fields:

- Geographic Area (for each database respectively)
  1. Sector, Submarket, Market and VISN,
  2. Submarket, Market and VISN,
  3. State, and
  4. Preferred Facility
- Enrollee Type (1 = “Enrollee Pre”, 2 = “Enrollee Post”)
- Priority Level (1,2,3,4,5, 6, 7a, 7c, 8a, 8c)
- Age Group (Under Age 45, Ages 45 to 65, Age 65 to 84, Ages 85 and Over)

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- Fiscal Year
- Absolute Admits for 7 benefits
- Absolute Utilization for 62 benefits
- Absolute Expenditures for 62 benefits
- First-Party Revenue in 6 categories (five copay revenue categories and one enrollment fee category)
- Average Enrollment
- Average Enrollment for Priority Level 1a
- Unique Enrollment
- Unique Patients
- Beginning of Year Enrollment
- End of Year Enrollment

NOTE: For the final FY04 ELDA utilization and expenditure projections, the following admits, utilization, expenditure fields (documented above) are not populated:

- Admit51: Millennium Bill ER: Inpatient: Total Admits
- Util8: LTC: Nursing Home: Total Days
- Util44: LTC: PDN/Home Health: Total Units
- Util49: Millennium Bill LTC: Nursing Home: Total Days
- Util50: Blank
- Util51: Millennium Bill ER: Inpatient: Total Days
- Util52: Millennium Bill ER: Emergency Room: Total Visits
- Util53: Millennium Bill ER: Ambulance: Total Units
- Cost8: LTC: Nursing Home: Total Expenditures
- Cost44: LTC: PDN/Home Health: Total Expenditures
- Cost49: Millennium Bill LTC: Nursing Home: Total Expenditures
- Cost50: Blank
- Cost51: Millennium Bill ER: Inpatient: Total Expenditures
- Cost52: Millennium Bill ER: Emergency Room: Total Expenditures
- Cost53: Millennium Bill ER: Ambulance: Total Expenditures

An Excel “Report Writer” was also provided to facilitate interpretation of these databases. This report writer includes descriptions of the 62 benefits and 6 revenue categories, and provides utilities for efficiently generating a variety of summaries of these databases for users with access to PC SAS.

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Enrollment Databases

The Utilization and Cost databases described above also include extensive enrollment & patient detail. Those databases are the only source of enrollment data delivered with the following information:

- Preferred Facility
- State
- Unique Patients
- Beginning of Year Enrollment

Supplemental enrollment databases have been provided in an alternate format with more demographic detail for the following:

- Average Enrollment (by Sector)
- Unique Enrollment (by Sector)
- End of Year Enrollment (by Sector)

Additionally, the VetPop Proxy has been delivered in a similar format.

These databases contain the projected enrollment (or veteran population) during each year from 2002 to 2025. The databases contain the following fields

- Sector, Submarket, Market and VISN
- Enrollee Type
- Priority Level (includes Priority Level 1a)
- Gender
- Age Range in 5-year bands (1 = <25, 2 = 25 to 29, ..., 13 = 80 to 84, 14= 85 and over).
- Enroll2002 to Enroll2025 (or VetPop2002 to VetPop2025).
  - Age 4 - 4 age groups (<45, 45-64, 65-84, 85+)
  - Age 3 - 3 age groups (<45, 45-64, 65+)
  - Age 2 - 2 age groups (<65, 65+)
  - P7 – healthcare priority level (1, 2, 3, 4, 5, 6, 7, 8)
  - PGRP – priority levels groups (1-6, 7-8)
  - PSC – service-connected priority (SC, NSC)

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Section XV
Data Sources

The following lists the data used from both VA and non-VA sources. In using data from VA, Milliman relied on the VA data sources as being accurate and complete. Milliman did not independently audit VA's methodology or sources.

Many data sources were used for the enrollment projections and VetPop Proxy development. Those sources are referenced in Section II, Appendix A.

VA Data Sources

- FY 2002 Costs and Costs per Unit for the Nation, VISN, and Facility by Treating Service and Location, produced by VHA.
- FY 2002 CDR costs by DRG.
- FY 1999, FY 2000, FY 2001 and FY 2002 Inpatient, Outpatient and Pharmacy workload detail produced by VHA.
- FY 2002 national NPPD and DDC Prosthetics workload detail produced by VHA.
- FY 2002 actual budget obligations from the 2004 President's budget submission, provided by VHA.
- Reliance and Morbidity information from the 1999 and 2002 Survey of Enrollees (SOE).
- Reliance information from CMS data match for FY 1999 and FY 2001 provided by VA.
- Veteran VHA User Diagnostic Data for FY 1999 and 2002 provided by VA.
- The 1999 Health Survey of Veterans (Veterans SF-36 & Health Behaviors) supported and funded by the Office of Quality and Performance.
- The 1999, 2000 and 2002 Veteran Enrollee Surveys provided by Condor.
- ZIP Code to FIPS State/County Code Crosswalk produced by VHA.
- VA Facility mapping to VA Medical Center Facility (MCCV) detail.

Non-VHA Data Sources

- Assessed and collected copay data for FY 2001 and FY 2002 provided by VA.
- Milliman *Health Cost Guidelines* – The Milliman *Health Cost Guidelines* are developed as a result of Milliman's continuing research on health care costs. They were first developed in

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1954 and have been updated and expanded annually since then. These Guidelines are continually monitored as they are used in measuring the experience or evaluating the rates of clients and as they are compared to other data sources. The Guidelines are a cooperative effort of all Milliman health actuaries and represent a combination of their experience, research and judgment. An extensive amount of data is used in developing these Guidelines, including published and unpublished data. In most instances, cost assumptions are based upon Milliman evaluation of several data sources and, hence, are not specifically attributable to a single source. Since these Guidelines are a proprietary document of Milliman, they are only available for release to specific clients that lease these Guidelines and to Milliman consulting health actuaries. The volumes used for VA analses include:

- Commercial Rating Structures, July 1, 2003
- Commercial Area Factors, July 1, 2003
- Commercial Claim Probability Distributions, July 1, 2003
- Ages 65 and Over, July 1, 2002
- Ages 65 and Over Basic Table Update, July 1, 2003

- Milliman *Care Guidelines*™ – The *Care Guidelines* are a set of optimal clinical pathways for treating common conditions for patients who have no complications. The Guidelines series is prepared by a highly experienced team of clinicians, actuaries and other health care professionals, whose expertise is combined with the latest research in risk and medical management. The Guidelines are based on the actual practices of clinical physicians throughout the United States. They show the most efficient treatment for a given condition and the typical progress that the uncomplicated patient may expect. The purpose of the Guidelines is not to ration or reduce care, but rather to help minimize waste and inefficiency in the health care system, thereby making the best use of the limited health care resources available. The Guidelines are updated each year and are reviewed by practicing physicians, academic physician advisors in specific areas of specialty practices, and users of the Guidelines.
- Milliman Hospital LOS Efficiency Index™ – The LOS Efficiency Index™, developed by Milliman, measures how efficient an individual hospital is relative to hospitals with the shortest length of stay (LOS). Actual hospital discharge data are presented on a hospital-by-hospital and DRG-by-DRG basis to identify most efficient practices adjusted for case mix and severity. The index serves as a basis for comparing the relative efficiency of lengths of stay among hospitals, as well as by diagnosis within a hospital.
- Principal Mortality Tables, U.S. Life 1969-71 Total Male and Female, White and Non-White. Published by Tillinghast, Nelson & Warren, Inc., 1977.

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- Disability Payment System (DPS) SAS Program, created by Richard Kronick, Lora Lee, Tony Dreyfus, and Zhiyuan Zhou, © 1996 The Regents of the University of California.
- 1996, 2001 MarketScan ® Database from the MedStat Group.
- Public use files, issued by CMS, known as the "Standard Analytical Beneficiary Encrypted Files." Representing a 5% selection sample of all Medicare claims received by CMS. 1996, 2000 and 2001 claim years were used.

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